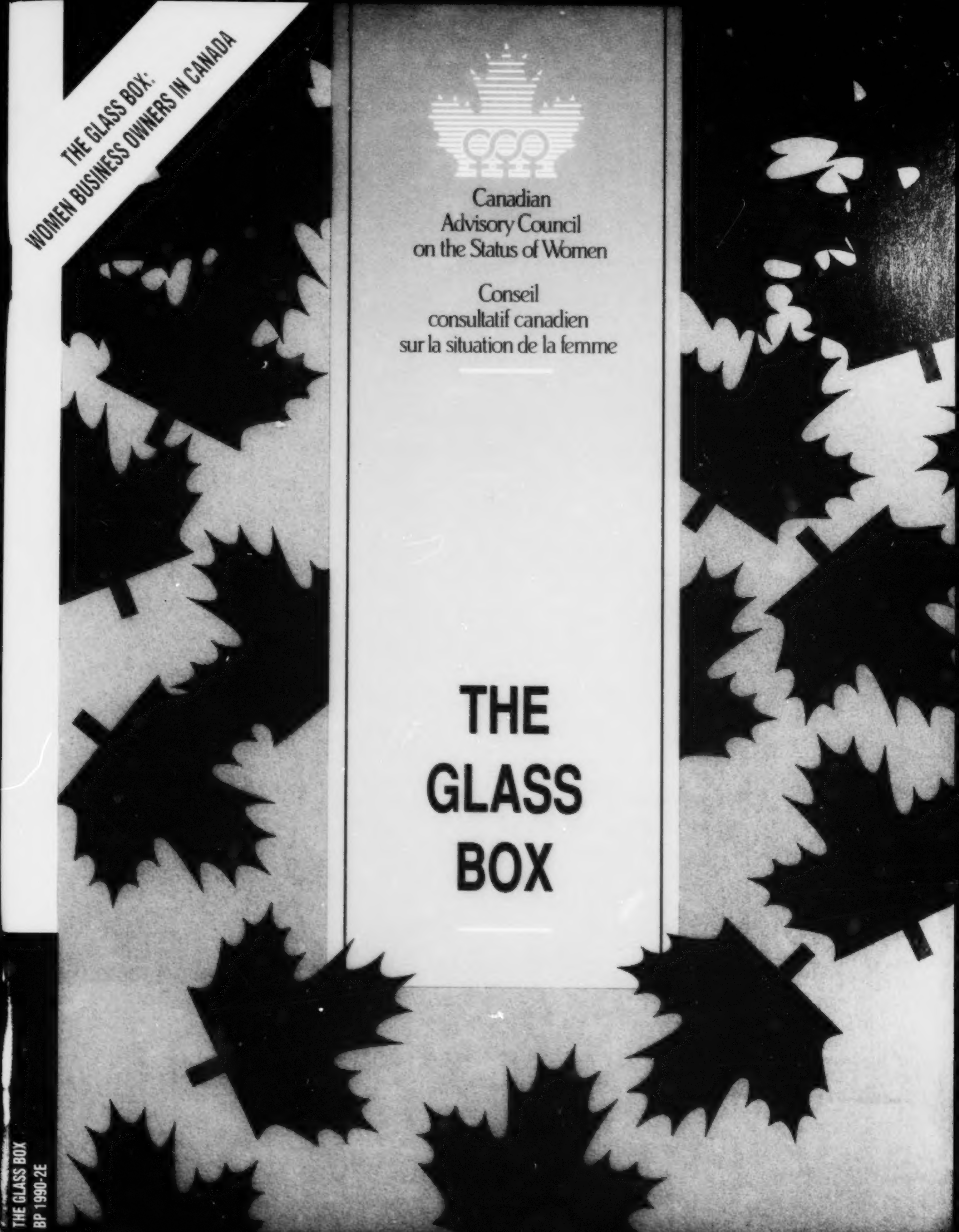

THE GLASS BOX:
WOMEN BUSINESS OWNERS IN CANADA

Canadian
Advisory Council
on the Status of Women

Conseil
consultatif canadien
sur la situation de la femme

THE GLASS BOX

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BACKGROUND PAPER

THE GLASS BOX: WOMEN BUSINESS OWNERS IN CANADA

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Canadian Advisory Council on the Status of Women

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Summary

Women are starting businesses at three times the rate of men. This level of entrepreneurship is important for society, because of the potential for job creation and innovation, and for individuals who seek job flexibility, challenge, and independence. This discussion paper is about the growing group of women who seek personal fulfilment, economic independence, and control over their own lives in a socially innovative way.

The paper is based on a study of more than 200 women business owners across Canada. One purpose of the paper is to bring to public attention the struggles, challenges, and achievements of these women entrepreneurs. Another purpose is to consider how public policy might facilitate the work of female entrepreneurs and thus help to harness the economic benefits of this form of business development.

The women in the study started businesses mainly in the retail and service sectors. Most are married with children and work long hours to meet their business, household, and family responsibilities. As a result, the women are somewhat isolated from support networks such as friends and women's associations.

Another source of isolation stems from exclusionary and even discriminatory treatment in the business world. Like many entrepreneurs, the women financed their businesses with their own savings. But when they turned to financial institutions to borrow money, a substantial number experienced discrimination from potential lenders, although it was difficult to determine whether this occurred because of the entrepreneur's sex or age or for legitimate reasons (such as the fact that few of the study participants had prepared proper financial documentation when applying for a loan). However, the entrepreneurs also reported differential treatment from customers, suppliers, and even employees.

We have termed the resulting isolation "the glass box". Women entrepreneurs are often surrounded by opportunities but lack the time, the resources, the know-how, and the contacts needed to gain access to these opportunities.

The women business owners in the sample see themselves as competent managers. They have to be, because half of them employed no management specialists. They learned their management skills from their own and their mother's experience in managing a household, from previous jobs, and from volunteer work. They feel most competent on the operations side and less so in finance, accounting, and marketing. Long-range planning is a particular weakness.

Their isolation is compounded by a lack of time to locate and assess potential sources of assistance (services and training) and time to attend. Access to management training and assistance should be facilitated by centralizing information about such programs and making it easily available. Information, particularly on finance and management skills, needs to be targeted to women entrepreneurs because most have had no management experience or formal training. We recommend innovative outreach mechanisms, such as hotline counselling, coaching, and advice from experienced entrepreneurs.

Working long hours, bearing responsibility for both operations and management, and meeting family and household demands often creates role overload and conflict for the women in the study. Many male entrepreneurs benefit from the support of their wives in running a business, but the same is not true for the women business owners interviewed in this study. Time spent on business matters does not reduce the demands of managing a household. The women cope by trying to react to all demands in both the personal and the business spheres.

Despite being boxed in by conflicting demands, lack of time, and lack of access to funds and networks of support, knowledge and experience, the women started and are managing small businesses, many of them successful. They also benefit through more positive relationships with children and spouses, a sense of contribution to the community, and greater feelings of competence and self-confidence. In short, the women reported that they lead satisfying lives. If steps were taken to enable women entrepreneurs to break through the glass box, these personal benefits might well translate into economic and social benefits.

Introduction

As women in corporations and other large organizations confront the costs of corporate life, some are turning to entrepreneurship to redress problems such as lack of opportunity for advancement and long inflexible hours. In doing so, however, many women are plummeting — not just jumping — from the frying pan into the fire. The entrepreneurial life is perceived as a panacea for the glass ceiling — the invisible barrier to advancement. But in reality, entrepreneurship is far from a panacea. The women who choose self-employment may be duplicating and multiplying the problems they encountered as employees in large organizations.

Moreover, self-employment through business ownership presents its own problems. Some of these difficulties are common to all entrepreneurs, but others appear to affect only women or to be particularly acute for women business owners. Women who look to self-employment as an alternative to the glass ceiling may in fact be trading a glass ceiling for a glass box — a unique form of isolation that prevents them from reaching out to seize the opportunities that surround them.

This study, based on interviews with more than 200 women who own small businesses, took us to industrial and retail malls, to small shops and service enterprises. The businesses were diverse, but the common factor was the isolation of their owners. The women in our sample were isolated first by their non-traditional choice of occupation but also by the demands of the occupation and the lack of support to deal with those demands.

Entrepreneurship offers tremendous opportunities in terms of both business and personal development for men and women alike. Yet as we found in our interviews, women entrepreneurs face a number of obstacles that men either do not face or can overcome with ease in a way that women have not been able to do.

Thus the image of the glass box emerged. Women entrepreneurs often find themselves surrounded by opportunities but unable, for a variety of reasons — many of them related to the fact that they are women fulfilling a non-traditional role — to gain access to those opportunities.

A number of obstacles contribute to the glass box of isolation: women business owners face discrimination from suppliers, financial institutions, customers, and employees. Their businesses are clustered in sectors where the financial payoff is low. They often lack managerial expertise but also have insufficient time and resources to acquire knowledge and skills through informal contacts or formal training. The exigencies of managing a business conflict with family and household demands.

This discussion paper is intended to present a profile of the women entrepreneurs in our sample, to explore the barriers we found, and to suggest directions for public policy that would support the efforts of women entrepreneurs to escape the isolation of the glass box.

In the first section of the paper, we introduce the study and the sample and review some of the facts about women and entrepreneurship. The following three sections contain our findings about the business owners in our sample — the nature and financing of their businesses, their approach to managing the business, and their efforts to accommodate work, family, and household responsibilities. In the fifth section, we compare findings about certain sub-groups of entrepreneurs — anglophones and francophones, rural and urban women, and members of racial minorities. In the final sections, we summarize our findings by describing the obstacles unique to women entrepreneurs; we also propose new policy directions, noting areas for additional research in support of further policy development.

In the remainder of this introduction, we review the importance of the entrepreneurial process to the Canadian economy and the factors that facilitate the development of entrepreneurship.

Importance of the Entrepreneurial Process

Entrepreneurship has value beyond that of its legendary capacity to empower the downtrodden. Its economic benefits include job creation and wealth redistribution. Societal benefits include increasing independence for women and job enrichment for the self-employed.

Job Creation

While governments have traditionally focused on large manufacturers to sustain and increase employment, thousands of new ventures, unaided by governments or even financial institutions, have created thousands of jobs.

The Director of Economic Intelligence at the Department of Regional Economic Expansion reported in 1988 that 98.8% of Canada's businesses have fewer than 100 employees, and three-quarters of these have fewer than five employees. Over the past decade, the number of small companies has increased by about 25%, compared to 10% for corporations employing 500 or more. Twenty per cent of the 800,000 companies employing at least one person at the end of 1985 were less than one year old.[1]

The number of employees is less relevant than the fact that small firms create three times the number of new jobs created by larger companies. Of the 1.2 million new jobs created in Canada between 1978 and 1985, 60% were created by firms employing fewer than five people.[2] The majority of the jobs are being created by companies less than five years old. This potential for job generation is one reason that industry and government observers are re-evaluating the role of entrepreneurs and studying how to facilitate the process of business creation by entrepreneurs.

Coupled with this evolution in thought about the economic role of the entrepreneur is the revolutionary role of women in this trend. Of the 150,000 new businesses launched annually in Canada, most are started by women. Although male entrepreneurs currently outnumber women by three to one, women are now starting businesses at three times the rate of men.

Wealth Redistribution

Women have been cast traditionally as a marginal economic group, bypassed and discriminated against in economic development. Women entrepreneurs have the potential to resolve this problem by creating their own corporations and wealth, hiring women, dealing with women suppliers and so on. The creation of business ghettos for women is not the purpose; but women entrepreneurs might be expected to conduct their affairs with more sensitivity to the needs of women in the paid labour force.

Economists have argued that many entrants in a market reduce economic concentration, thus contributing to the distribution of wealth.[3] As the rate of women entrepreneurship exceeds that of males, women may have an increasing share in this wealth distribution process.

In short, entrepreneurship is not a process that benefits or affects only individuals. The increase in entrepreneurial activity may have profound implications for economic and social policies. Understanding the forces that create and sustain entrepreneurship facilitates the search for policies to influence this process.

Factors Facilitating Entrepreneurship

There is no cause and effect model that can be implemented to create and control the level of entrepreneurship in society. However, several researchers have discovered correlates of this process: variables that appear to be associated with high levels of entrepreneurial activity. These include adversity, discrimination, marginality, and role models.

Adversity

Adversity often creates entrepreneurs. The downsizing of corporations, takeovers and closures of established firms, discrimination, technological change, and obsolescence drive individuals to take control of their own destinies. According to John Bulloch of the Canadian Federation of Independent Business, destabilizing forces such as the Free Trade Agreement and the influx of foreign investment act creatively to encourage entrepreneurship.[4]

Long-term unemployment in various female-dominated sectors of the economy is also high and expected to rise further in the future because of hastened technological change and changes in the composition of trade.[5] As a result, proprietorship is likely to become an even more important means of employment for many women.

Discrimination

If negative job experiences or more general dissatisfaction with salaried employment encourage men and women alike to start their own businesses,[6] we should again expect the number of women entrepreneurs to multiply. This assertion is based on the observation that women are still over-represented in secondary labour markets, encountering much more gender-related prejudice and suffering relatively more employment and wage discrimination.[7]

Marginality

The ethnic composition of a country also influences entrepreneurship. Members of groups that see limited opportunities in the mainstream of society often strike out on their own, to succeed independent of the system. Their initiatives are often spurred by the availability of entrepreneurial role models within the family or clan. Every society has industrious minorities such as the Ibos in Nigeria, the Indians in Fiji, and the Cubans in Florida.

As a relatively young country with a comparatively open door to immigrants, Canada has large groups of "outsiders"; one of the spin-off effects is the many entrepreneurs among these immigrants. Indeed, in a recent comparative study of 12 nations, the Canadian sample had the highest proportion of entrepreneurs born outside the country at 16.1%.[8] Among women entrepreneurs, this percentage may be even higher.[9] The effects of double discrimination as women and as immigrants may produce a powerful motivation.

Women are "marginal" in the business world, however, whether or not they are immigrants. Positions at the top as well as economic power and rewards are controlled largely by men. Women, like immigrants, are not part of the mainstream and are excluded, sometimes deliberately, from most business networks.

Role Models

Cultures that place a high value on entrepreneurial activity have more entrepreneurs. Immigrants with their own sub-cultures offer strong evidence of this assertion. In geographical locations where entrepreneurship is prized (such as Silicon Valley, in California), role models abound. The presence of role models has been found to be associated consistently with high levels of entrepreneurship. In an exponential manner, successful women entrepreneurs may become role models for other women. Combined with a high cultural value attached to entrepreneurship, the increasing number of female role models has the potential to generate a long-term trend toward more businesses owned by women.

The Study and the Sample

This study is about the growing group of women who seek personal realization, economic independence, and control over their lives by starting and managing their own businesses. They are called entrepreneurs, business owners, or owner-managers. A vigorous debate is occurring, however, in the academic and business communities, about the appropriateness of labelling as entrepreneurs the growing number of people, women and men, young and old, in business for themselves.

To some, an entrepreneur is anyone who **initiates** a venture, forms a company, competes, and keeps it going. Others apply the label only to those who innovate in the business world; that is, those who invent products, processes, or technologies and market them aggressively.

In this report, we use the terms entrepreneur and business owner-manager interchangeably. The term business owner-manager describes, in neutral and natural terms, what the women we studied do. The current interest in entrepreneurs and entrepreneurial behaviour prevents us from rejecting this ambiguous label.

One of the purposes of this study is to bring to popular attention the work, the struggles, challenges, and achievements of these exceptional women. They are innovators on the social scene: they have chosen a non-traditional professional life, for which they have had few role models. On the business front, they may also be innovators in terms of how they manage their businesses. This study explores these issues among others.

Methodology

Women business owners from across Canada were invited to participate in a structured study. One hundred and ninety-three women, representing eight cities, two language groups, and three objective stages of business (new, growth, and mature), were interviewed in person or by telephone. In addition, six focus groups were held in Toronto, Montreal, and Quebec City to probe further into the quantitative results obtained through the questionnaire and interviews. (Further details on the methodology and the questionnaire are presented in the Appendix.)

The respondents were selected randomly from a list of women business owners compiled by a credit-granting institution. As such, the sample is biased toward larger businesses. The sample nevertheless depicts the problems faced by entrepreneurs/managers more so than a truly random sample.[10]

At the same time, it should be acknowledged that U.S. statistics show that about half of all businesses owned by women are home-based. Canadian figures on the number of home-based businesses are not available, but Priesnitz,[11] in a 1988 study, found that almost 90% of surveyed Canadian home-based businesses have not sought loans from financial institutions and thus would have been excluded from our sample. If the proportion of home-based businesses is as large in Canada as it is in the United States, further study would show whether such enterprises have features in common with the retail and service businesses we studied, whether they present a distinctive set of challenges and opportunities for women entrepreneurs, and whether a different policy approach is warranted.

Objectives of the Study

Despite a vast amount of literature on entrepreneurs, and a growing literature on women entrepreneurs, relatively little is known about the financial challenges, managerial problems, and work/family stresses facing female business owner-managers. This investigation attempted to fill these gaps.

Financing

One purpose of the study was to obtain and analyse corporate financial information to determine the financial status of women entrepreneurs and the challenges they face. We wanted to know how (rather than why) they started their businesses: whom did they ask for help, for money, for advice? What kinds of training and experience did they have? How did they manage the financial affairs of their businesses during each of three critical phases: start-up, growth, and maturity? Did they face discrimination? The second section ("The Financial Picture") provides some of the answers.

Managerial Activities

A second purpose of the study was to assess the managerial activities or functions performed by women business owners. Much of current literature on leadership and management is irrelevant for understanding small business management. Using this literature as a base, however, we developed measures of management useful in assessing the performance of small business owners. Our decision to concentrate on the basic and pragmatic aspects of the women's managerial activities led us to consider managerial functions and managerial roles. The third section ("Managerial Roles and Functions") explores these issues.

Multiple Roles

A third purpose was to examine the opportunities and problems faced by women entrepreneurs and business owners in juggling multiple roles. The last decade has witnessed increased attention to the paid work/family interface. But this literature has focused almost exclusively on professional and managerial women and men in large organizations. The few existing studies of women entrepreneurs provide descriptive data at best. Women entrepreneurs manage multiple and potentially conflicting roles. But we do not know the importance of these roles, how demanding they are, how they intertwine, the nature of the conflict or synergies between them, or how (and how well) women entrepreneurs cope with paid work and family issues. Once again, we were entering important but uncharted waters.

It is common for individuals in our increasingly complex society to fulfil multiple roles. The research is not conclusive, however, on whether the performance of multiple roles increases or decreases one's sense of self and competence, satisfaction, and well-being. To begin to explore these issues, respondents were asked a series of questions about their major life roles, how these roles supported or interfered with each other, what coping responses they commonly used, and how they saw their major life roles co-existing (separately, in conflict, complementary, etc.). These paid work and family issues are discussed in the fourth section ("Paid Work and Family Responsibilities").

Marginality

Canada is a multicultural society with a variety of immigrant and ethnic groups. A feeling of marginality has been associated with increased levels of entrepreneurial activity. But do members of immigrant and ethnic groups differ in any way from their mainstream counterparts? In an attempt to answer this question, responses from three sub-groups were compared. The fifth section ("Special Group Comparisons") analyses the results of comparisons between English- and French-speaking Canadians, differences among members of racial minorities, and contrasts between women in rural and urban settings.

The Emergence of Women Entrepreneurs

To establish a context for our findings, let us first review what is known about the emergence of female entrepreneurship and the nature of the entrepreneur's world.

Many factors favour the entry of women into entrepreneurial endeavours. Most business growth for the past decade or more has been in the service sector, and women dominate employment in this sector.[12] Women may find it easier to start businesses in sectors where they have had experience. The other advantage of service sector businesses is that entry is relatively easy, because large capital investments are seldom required.

One of the major growth areas in the service sector arises, ironically, from the increasing participation of women in the paid work force. The dramatic increase in women's labour force entry has altered the allocation of time from household production to market activity, resulting in the commercialization of traditional female-dominated activities such as child care and food preparation.

In addition, as argued by Peterson and Weiermair, women may be particularly successful in the service sector because it is one where great importance is attached to trust and interpersonal relations.[13] Several researchers have noted that women see beyond the advantages of winning a competitive game, assessing the emotional and interpersonal costs of doing so.[14] These authors assert that the emphasis on interpersonal skills should give women a natural advantage in the service sector. This line of reasoning appeared to be a 1980s argument for restricting women to service areas, similar to earlier arguments that women had greater manual dexterity than men and were therefore more suited to sewing and other jobs in light manufacturing.

Several studies have examined the relatively recent phenomenon of female entrepreneurship. Some concentrate on the characteristics of women entrepreneurs, searching in vain for differences between men and women who start their own businesses. Although both women and men business owners have high needs for achievement and independence, women may show higher levels of perseverance in their commitment to their new ventures.[15] Women also have lower expectations of income and so may pursue market opportunities that may be too risky, innovative, or marginal for men.

The interest in categorizing or characterizing entrepreneurs is waning as many realize that entrepreneurs come in all shapes and sizes. Entrepreneurship represents a new value in society. In an ironic twist, individuals are giving up the freedom from worry provided by assured jobs and pensions in large organizations for the personal freedom inherent in having control of one's own work life. The opportunity for job enrichment, characterized by self-expression, independence, flexibility, and control, is becoming highly prized, especially by women with families.

The variety of the job attracts many individuals to entrepreneurship. Starting and operating a business offers possibilities for all the factors correlated with job satisfaction: challenging work, independence, control over the work, responsibility, diversity, and the opportunity to learn. Yet there is a price to be paid for these benefits — a price that may be especially high for women handling family and household responsibilities in addition to their businesses.

The Facts of Entrepreneurship

Small business owners, both men and women, face the following elements of entrepreneurship.

First, the hours are long, on the average 50 to 70 hours a week. Evenings and weekends are often filled with paperwork, meetings, and phone calls.

Second, the skills required in running a small business are varied and usually self-taught.

Small business owners must develop **entrepreneurial skills**. One of the first skills learned by many entrepreneurs is how to raise money. After obtaining credit, entrepreneurs bear the full emotional and financial responsibility of managing the credit, with direct and personal consequences of failure to do so.

The entrepreneur also manages uncertainty. The continual scanning of the market for new products, services, or processes that might improve the bottom line or represent a threat from competitors requires time, energy, and skill.

Managerial skills are also important. Most small businesses have at least one employee. Every entrepreneur must understand and likely perform managerial functions such as supervision, marketing, production, finance, human resources, public relations, accounting, and legal work. Unlike managers in large corporations, small business owners do not have corporate departments knowledgeable about the latest tax change or the relative effectiveness of different marketing strategies. Most of these businesses do not generate sufficient revenues to hire experts. The entrepreneur usually has to learn to manage on the job.

Finally, the small business owner will need **operational skills**. When the business is small, the owner not only manages but often also performs the tasks necessary to get the job done, especially to meet a deadline or replace a missing employee. They pitch in on jobs ranging from cleaning the washrooms to making a sale to packing the product.

The challenges inherent in meeting these demands make the casual observer wonder how small businesses survive, not why so many fail. In addition to these hurdles, which face all entrepreneurs, women encounter unique difficulties in starting and running a business. These obstacles warrant examination because of the emerging trend in business ownership.

Women are the leaders in a new entrepreneurial wave, starting businesses at three times the rate of men. About half of Canada's new companies will be started by women.[16] Frustrated by the slow rate of change in corporations and the inflexible work styles often found in the business world, women are creating their own corporate worlds to satisfy their needs for achievement, independence, and the accommodation of work and family responsibilities. Have those needs been satisfied? This was one question posed by our study.

Throughout history, entrepreneurs have played an important economic role. Until recently, however, independently run businesses were considered marginal, simply supporting actors to the real stars — large corporations. But with the trend to downsizing of corporations, small business may become the biggest business of all.

The post-war years were the years of the Organization Man and a generation of bureaucrats who wanted to work for somebody else. Something remarkable has happened since then. The Organization Man's children, and especially his daughters, have started new businesses in unprecedented numbers. Between 1978 and 1980, self-employment grew at a faster rate than wage and salary jobs for the first time in the United States.

A parallel situation exists in Canada. In the first half of the 1980s, the number of people who identified themselves as self-employed grew at a much faster rate than the labour force as a whole. Labour force growth between 1981 and 1986 was 4.7%, while the number of self-employed grew at a rate of 7.7%.[17] The number of women business owners grew almost three times as fast as the number of male business owners, resulting in more than 200,000 women reporting themselves as self-employed. What does this trend mean for the Canadian economy and for society as a whole? And how should its implications be addressed in social and economic policy? This was the second general question the study sought to explore. We turn now to our findings.

The Financial Picture

The explosive increase in the number of businesses owned by women has led to a growing interest in who these women are and how they are doing. This section presents a composite of the typical woman entrepreneur in Canada, her venture, and her financial strategies. Discussing the typical or average woman entrepreneur invites stereotyping. The diversity of women entrepreneurs cannot be portrayed adequately by a composite; yet questions about the nature of women entrepreneurs and their businesses must be answered. The profile presented here, though crude in some respects, suggests some answers.

Profile of the Respondents

The typical respondent could be described as a white woman, married, with two children, and owning 100% of a retail business. She is a high school graduate who worked in a related field before starting her business but had no experience as a manager.

Her current venture is her only one, which she founded six to ten years ago with less than $25,000 in start-up capital, financed by her own savings. She continues to finance the operation herself, taking less than $30,000 annually in salary, even though she works 50 to 70 hours a week. The business employs an average of three people. The strongest impression remaining after talking with hundreds of entrepreneurs is the modest nature of the business. For the most part, these businesses are not innovative, substantial ventures.

The findings on which this summary profile is based are discussed in detail below.

Type of Business

The retail sector tended to be over-represented in our sample (52%, compared to an overall figure of 24% in the economy generally) (see Table 1). Recent data from the American Small Business Association shows that an increasing number of female-owned businesses are in fields such as construction, mining, and manufacturing (an increase of 116% over five years).[18] This trend within a trend underscores the increasing movement of women into non-traditional fields.

The fact that most of the women in our sample chose the retail sector, with its easy entry, long hours, and low returns, may account for much of the financial information discussed later in this section. The second most popular choice, the service sector, is equally notorious for meagre returns.

Table 1: Type of Business

Type of Business	Sample N	Percentage of Sample	Percentage of Small Firms in Canada*
Retail	100	52.0	24
Service	45	23.0	25
Wholesale, Distribution	21	11.0	7
Manufacturing	16	8.0	6
Agricultural	1	0.5	–
Transportation, Communication	2	1.0	10
Other	8	4.0	27

Source: * Canada, Statistics Canada, Small Business and Special Surveys Division, *Business Owners in Canada 1981-1986* (Ottawa: May 1988).

Ownership

Most women founded their own businesses (see Table 2). Although this study did not ascertain whether the businesses were founded with partners, information from other studies reveals that the majority of women launch their businesses alone.[19]

Table 2: Company Start-up

How Company Started	Sample	
	Frequency	Percentage
Founded it	116	60
Bought it	56	29
Inherited it	9	5
Given it	2	1
Other	10	5

These data should lay to rest the myth that most women inherit or are given their businesses by men, whether fathers or husbands. Only 6% of the businesses in our sample were acquired in this manner. Comparable figures for small businesses in general are 5% acquired by inheritance and two-thirds founded by their owners.[20]

Experts estimate that between 95% and 98% of all business establishments are family-owned, although most (70%) do not survive into the second generation.[21] In a study of inheritance patterns in family businesses, Knight found that only 15% were inherited by women.[22] If we assume that daughters form 50% of children in general in Canadian families, including business families, then this figure of 15% highlights the discriminatory patterns of succession. Indeed, one study reported a case in which the business was left to the only boy, the fourth in a family of eight children.[23]

Thus, it appears that, in most cases, if a woman wants to operate a business, she starts it herself. She also tends to do it alone. Sixty per cent of the women in our sample own the business wholly; another 13% own it in conjunction with a spouse (see Table 3). This was the first piece of evidence pointing to the existence of the glass box — the isolation inherent in being the sole person responsible for the fate of the business.

Table 3: Ownership

	Sample	
Ownership	**Frequency**	**Percentage**
Sole — 100%	113	60
50% — Spouse	25	13
50% — Partner	16	8
Major Partner	22	11
Minor Partner	2	1
Partner is an Organization	2	1
Other	8	4

The age at which a woman founded her business did not affect the form of business ownership she chose. For example, older women did not choose their husbands as partners more often than younger women.

Lavoie noted the tendency of women to operate their businesses as sole proprietorships, although she observed that women in traditionally male sectors tended to follow the organizational structure preferred by men owners (incorporation).[24]

One of the principal problems of sole ownership (particularly sole proprietorship) is the difficulty of raising capital. Indeed, capital investment in businesses owned by women is low. A second problem is that failure to incorporate may result in higher personal income taxes for the business owner, money that might otherwise be reinvested in the business.

Starting a Venture

This section paints a portrait of the woman entrepreneur at the time she started her business.

Age

About 45% of the women in this sample founded their ventures between the ages of 25 and 35. After the age of 45, the number of start-ups falls dramatically, but among the previous age groups, the percentage of start-ups is divided fairly evenly (see Table 4). Nearly 75% of all start-ups occurred during the peak childbearing years.

Table 4: Age at Company Start-up

Age When Business Founded	Sample	
	Frequency	Percentage
Under 25	27	14
25-30	46	23
31-35	41	21
36-40	31	15
41-45	22	11
46-50	13	7
50 plus	9	5
No response	4	2

Statistics Canada reports that women business owners tend to be younger than men business owners, with 32% being under 35, compared to the 27% of male owners in this category.[25]

Marital Status

The majority of the respondents were both wives and mothers when they started their businesses and remain so (see Table 5).

Table 5: Marital Status

Marital Status	Sample			
	At Start-up		Current	
	N	%	N	%
Single	41	21	27	14
Married or Cohabiting	111	58	109	57
Separated, Divorced	31	16	41	21
Widowed	8	4	16	8
No response	2	1	–	–

This finding substantiated data from other studies showing that women business owners do not have a disproportionately high divorce rate. (The overall divorce rate in Canada is estimated at between 30% to 50%.)

Country of Origin

Some studies have shown that entrepreneurs tend to be immigrants whose fathers were entrepreneurs and whose mothers were homemakers.[26] The stereotype of the entrepreneur as immigrant is popular, as it depicts a marginal man, excluded from the old boys' network, searching for an economic toehold on the cliffs of a rejecting society. This perception of the entrepreneurial experience is also appealing in relation to women; like immigrants, they are often excluded from higher corporate circles.

The double exclusion associated with being a woman and an immigrant should result in a powerful impact on entrepreneurship. It also helps to lay the foundation for another facet of the glass box — the isolation imposed by immigrant status in a country that remains ambiguous about its multicultural makeup. Indeed, 28% of the entrepreneurs in this sample are not Canadian-born. This figure is all the more striking in light of the fact that only 8% of all women in Canada are immigrants.[27] No one country dominates among the countries of origin of women in our sample (see Table 6).

Table 6: Country of Origin

Country	Sample	
	Frequency	Percentage
Canada	139	72.0
United States	5	3.0
Western Europe	16	8.0
Eastern Europe	15	7.5
South America	2	1.0
Asia (excluding India)	2	1.0
India	1	0.5
Other	13	7.0

Parental Occupation

Most female entrepreneurs (about 60%) have fathers who were entrepreneurs.[28] In our sample, 33% of the women reported that their fathers were entrepreneurs. This figure is lower than that reported by male entrepreneurs, but significantly higher than that in the general population (6%).[29] Only one respondent stated that her mother was an entrepreneur, a figure much lower than reported in other studies[30] and much lower than what one would expect in the general population.

A likely explanation is in the wording of the question. This study asked for the chief occupation of the mother (38% reported homemaker), whereas other studies asked whether the mother had ever been an entrepreneur. A second question in this study asked about the number of businesses started by the mother. Eighty-five per cent reported none, but 15% reported one or more. This figure is corroborated by other studies.

Related Experience

One unanticipated finding emerging from many studies of women entrepreneurs (including this one) is that so many women start businesses in sectors where they have no experience. A typical example would be a secretary in a large firm starting a retail toy business. Forty per cent of our sample reported that they had not worked in a related field before starting their businesses. Lack of experience in a related field was correlated with significantly lower profits among our survey sample. Lack of experience also adds to the isolation of the entrepreneur, who might have found more sources of advice and support had she started a business in a field where she already had a network of colleagues and contacts.

Another finding was that 55% of the women had no experience as managers. (These figures contrast with the work and management experiences of male entrepreneurs, 84% of whom have related work experience and 72% of whom have previous management experience.[31])

This lack of experience may be one of the principal reasons why women-owned businesses start small and stay small. The experience deficiency may also account for the fact that 64% of the women in our sample are working more than 50 hours a week. The number of hours per week men entrepreneurs work has not been reported, but anecdotal evidence suggests work patterns similar to those of female entrepreneurs. Running a business is demanding work for both men and women, and long hours undoubtedly reinforce their isolation from potential support networks.

Just over a third (35%) of the women in our sample left their last jobs to find greater opportunities, not because of discrimination, being fired or laid off, or health reasons. Another 12% left for family reasons, and 9% left because they were dissatisfied with their jobs. For most of these women, the desire for greater opportunities translates into 50- to 70-hour weeks, at annual salaries of less than $30,000.

In summary, the entrepreneurs in our sample are married women, have children, and leave the corporate world with only modest education and experience to seek greater opportunities in the world of self-employment. As we shall see, the financial returns are often marginal for these women, but other measures of success indicate a high return.

Asking for Help

As untrained and inexperienced business owners, the women seek help from others in starting their businesses. Our survey found they tended to consult lawyers, bankers, and suppliers (see Table 7). Women just starting out consulted friends and accountants much more frequently than did women at other stages of business. Little use was made of government programs.

At all stages, women sought advice most frequently from accountants and bankers, substantiating another finding showing that women business owners feel least qualified in the areas of accounting and finance. The women we surveyed consult friends to a greater extent than they consult other entrepreneurs, business associations, or government sources.

Table 7: Sources of Help

Sources	Usage Percentage	Problems with Source
Accountants	61	4.3
Bankers	58	27.9
Lawyers	49	3.2
Suppliers	43	10.9
Friends	38	6.8
Other Business Owners	34	1.5
Distributors	18	8.8
Trade Magazines	18	0.0
Business Associations	14	7.4
Provincial Government	12	8.7
Municipal Government	6	8.3
Federal Government	4	2.1
Others	23	–

The infrequent use of some sources of assistance (such as business associations and governments) may indicate a lack of knowledge of their existence, a perception that they are not needed, or a belief that they are not helpful. Whatever the reason, they represent a lost opportunity to break through the isolation of the glass box. A second question dealt with the problems the respondents encountered in using these sources of advice or help; most had not had problems, but 28% of the women mentioned problems with bankers, while 11% mentioned suppliers.

Using Government Programs

Information from the interviews and focus groups was analysed to discover why the women seldom turned to government programs. We identified inaccessibility, inadequate return on time and energy invested, problems with confidentiality or privacy, and the fact that programs keep changing.

Information about programs was not readily available. As one entrepreneur said:

> I am too busy running the business every day. It is so difficult to find out about these programs. I think that is one of the big problems.

Another added:

> Unless you know a company that has experienced that grant, you don't find out about it. There's nothing that goes around that informs the small business owner about what's available and you don't have the time. My priority is making money to put food on the table and pay the employees — not researching how you can get a few dollars from the government. Basically, your research time is not a good return on the investment.

The poor return on time invested was also emphasized in relation to getting assistance once a source has been located.

A second major complaint of small business owners is the amount of paperwork involved in running a business, a factor that often prevents women from applying for grants or asking for other types of help from governments.

> The time spent filling out forms and going to interviews — I'd rather spend on building my business. It's a higher rate of return.
>
> I'd rather spend my time calling on clients than going downtown and meeting with government officials.

Small business owners have a keen sense of the value of their time; unless they see a comparatively high payoff, they are unlikely to search for and participate in government programs.

The third reason for not using government programs has to do with the desire to remain independent. These business owners assume that they would have to supply information to a government agency to meet program requirements. The desire to retain privacy was stated simply by a focus group participant:

> Who wants the government to know all about your business?

A fourth reason for not using government programs had to do with the frustration of dealing with a moving target. For entrepreneurs suffering from information overload and time constraints, changes in programs or program officials were felt strongly.

> The programs are changed and you become familiar with a name and a place and boom — they're gone and you have to start all over again.

Respondents expressed the same frustration in dealing with banks.

Evaluating Sources of Help

A question on the helpfulness of sources of advice yielded the results in Table 8. The most helpful sources were suppliers, accountants, federal agencies, and distributors. The least helpful were provincial and municipal governments, and business associates.

Though the federal government was perceived as extremely helpful by 50% of users, only 4% of respondents had used this source (see Table 7). Those who did attempt to get help from the federal government had two complaints: that workers in the public service seldom have small business experience, and that government documents are difficult to understand.

Table 8: Evaluating Sources of Help

Sources	Helpfulness* Extremely %	Somewhat %	Not %
Other	81	12	8
Suppliers	63	32	5
Accountants	54	32	14
Distributors	50	37	13
Federal Government	50	44	6
Lawyers	45	40	15
Bankers	44	39	17
Friends	41	54	6
Other Business Operators	40	54	6
Trade Magazines	38	53	9
Provincial Government	29	43	28
Business Associates	22	70	8
Municipal Government	9	64	27

Note: * These figures represent the proportion of respondents who consulted these sources and thus could evaluate them.

Participants in our survey made these suggestions:

☐ when a new company is formed, information about government assistance programs should be mailed automatically;
☐ government advisers should follow up after they give advice;
☐ grants should be given to people who want to become business owners and want on-the-job training, perhaps as apprentices;
☐ money should be available to hire a replacement for the entrepreneur who wishes to undergo training;
☐ applications for money or services and programs should follow the procedures that some foundations use, i.e., the application should be made in the form of a proposal rather than by filling out a form;
☐ government counsellors should be entrepreneurs who have been "through the mill and know the ropes".

Networking

Some observers of the business community believe it runs on an old boys' network, that access to help and information depends on who you know. Peterson and Ronstadt calls this "know-who".[32] Because women are, by definition, excluded from the old boys' network, we tried to assess whether women are creating an old girls' network through business associations. We found that some of the women in our sample belong to associations (business associations, 42%; community service associations, 24%; Chamber of Commerce, 23%; women's business groups, 14%; and women's groups, 11%). Nearly half believed that belonging to business groups was important, but they cited lack of time as the principal reason for not joining. Again, the isolation imposed by the situation of women entrepreneurs is apparent, as is the difficulty of overcoming these circumstances to break out of the glass box.

Women managing growing enterprises tend to be members of associations more than are owners of start-up and mature businesses. Entrepreneurs in start-up and growing businesses believe membership to be more important than do women who own mature businesses. But women in the focus groups argued that being on boards of directors is the most valuable way to acquire experience and know-who:

> I think that the best training ground is to go sit on boards with men. I find that it is one of the most valuable training grounds you can have because you are gaining from their experience.

There was no evidence of an underground network of women business owners supporting or advising other women business owners. An old girls' network is not developing naturally. At the end of the focus group sessions, the most frequently heard comment was how good it felt to talk to other women business owners. Entrepreneurs are clearly isolated, yet the benefits of a support group, when added to the already heavy demands of entrepreneurship and family responsibilities, may be marginal.

Financing a Venture

This section describes how respondents finance their operations, their dealings with lending agencies, their financial operating situations, and their personal compensation.

Women, like men, start their businesses for challenge and independence. Most would say that they had an idea, but the originality or innovativeness of the idea was secondary to the fact that they wanted a challenge.[33] The first challenge many of them faced was obtaining financing.

Personal Savings

Most of the women financed their new ventures through their own savings (see Table 9). Contrary to popular belief, spouses did not underwrite their wives' ventures to any great extent. (However, respondents did report that the emotional support they received from their families was extremely important in terms of balancing their overloaded lives.)

Table 9: New Venture Financing

Source of Financing	Sample %
Self	72
Spouse	13
Relatives and Friends	17
Bank/Financial Institution	49
Government Agency	2
Suppliers — Manufacturing	2
Suppliers — Wholesaling	3
Other	16

Banks

Banks were also an important source of financing, with about half the respondents using them. Almost all the respondents using financial institutions used banks, with only 2% using other financial agencies.

Of those requesting funds from the bank, only about 10% prepared a business plan, business objectives, a pro forma financial statement, or cash flow or other projections.

Despite these limitations, about half the women received the funds they requested, although this accounted for less than half the total capital needed. In a third of the cases, respondents supplied 100% of the start-up capital; the average amount was $55,000. (Our sample was probably biased toward larger businesses, as Statistics Canada reports an average start-up investment of $12,000 for businesses with fewer than 100 employees.)

These results confirmed the findings of a study conducted by the Ontario Ministry of Industry, Trade and Technology.[34] The author concluded that women entrepreneurs launched their businesses with less money than men (an average of $78,000 versus $103,000 for men) and that a greater proportion of their capital was made up of their own savings. Women were less likely to go into debt or to sell shares to the public to get capital.

The greatest complaint from the women entrepreneurs in our sample had to do with their treatment by financial institutions. About one-quarter reported discrimination by creditors. Their perceptions of discrimination are substantiated by a study demonstrating that women entrepreneurs are asked for more collateral on lines of credit than are male entrepreneurs, even when business characteristics were constant.[35]

Applications may have been rejected for legitimate reasons. However, some rejections did appear to be "pure" discrimination, based on either the sex or the age of the applicant. There are some indications that banks consider women entrepreneurs a greater risk than men entrepreneurs.

In fact, however, at least one study shows that businesses owned by women appear to be less of a risk, because they tend to have higher survival rates.[36] As one respondent suggested:

> Banking policy is a nightmare. All businesses look at risk statistics. For example, car insurance for men is more expensive because it has been proven that men have more accidents. But it has also been proven that women don't go bankrupt as often as men. We'll work 80 hours a week, and take home a salary of $12,000, if necessary, but we won't go bankrupt. Why don't banks consider these statistics?

Women entrepreneurs want fair and flexible treatment from bankers. In a recent article in *Inc.* magazine, a banker with 14 years' experience reported that bankers look at four factors when judging a loan applicant: character, capacity to repay, appropriate purpose for the loan, and collateral (discussed later in this section in the "Discrimination" subsection). Women may be judged differently than men on several of these factors.

Many studies have highlighted the discrimination that women face when being judged on personality or character.[37] For example, a man's toughness might be labelled aggressive; an aggressive woman is seldom portrayed in flattering terms.

Even a criterion as ostensibly objective as "ability to repay" may be judged on the basis of a woman's marital status, the likelihood that she will become pregnant, and the number of children she has. According to respondents in our sample, the most frequent irritant was being asked to have husbands and fathers co-sign for loans.

"Appropriate purpose" also lends itself to subjective evaluations by male bankers, who might judge a female-owned craft business differently than a male-owned soft goods business.

Men entrepreneurs also report discriminatory treatment from creditors, allegedly based on the newness of their ventures. Lenders who question the ability of new businesses to survive were probably judging not only the inexperience of applicants but also their unskilled approach to credit application. Experienced entrepreneurs cite a well-prepared pro forma financial statement as the key factor in obtaining loans. A general lack of experience or training in this management specialty may be one of the obstacles women face in raising capital.

The reasons given to respondents when their credit applications were rejected included the fact that the company was new, that it had no solid sales record, that there was not enough owner equity, and that there was no existing capital in the business. The respondents gave these interpretations:

> I applied for a loan from a bank when I was eight months pregnant with my second child. I said, "Look, it's not a fatal disease, I'm just laying off work for a couple of days." And the banker said, "How the hell are you planning on paying this loan back in that condition." I answered that it didn't hurt me the first time. Anyway, I borrowed from a friend and paid it off in a year.
>
> Men who were trying to establish a credit line with the bank were not given such strict requirements as I was.

> Financial institutions just want to know where this woman's income is coming from and how she's going to support the business and is this going to be a full-time thing, does she have kids at home?
>
> It was my second year in business (with $800,000 in sales) and I went to see an older bank manager who wasn't interested in taking on my account. He said, "I noticed you just got married and you're going to get pregnant soon and you're a very high risk".

Some respondents remarked that discrimination from lenders seemed to have as much to do with their age as their sex. Several claimed that they were refused money not because they were women but because they were young women. Age (and therefore childbearing potential) appears to have an impact on credit application decisions. Our research shows no relationship between the marital status and number of the children of our female entrepreneurs and the profit generated by their businesses.

Further analysis of our data showed that companies with higher relative profits had a greater amount of start-up capital. If women had equal access to capital, perhaps the differences in economic returns would be smaller.

Financing Daily Operations

The inability to acquire capital continues through to the daily financial operations of female-owned companies. Annual revenues in our sample ranged from $5,000 to $2.8 million. (Twenty per cent of the sample declined to answer the question.) In the survey conducted during the same period by the Ontario Ministry of Industry, Trade and Technology, businesses run by women (one-third of their sample) averaged sales of $460,000 — 60% less than the survey's overall average.

Compensation for Owners

The annual incomes reported by the women in our survey were for the most part (80%) below $50,000 a year. One-third of the sample reported receiving no salary. Twenty per cent made between $30,000 and $50,000, 9% made between $50,000 and $80,000, and 6% made more than $80,000. More important than these absolute amounts are the comparative statistics reported by Statistics Canada and analysed by the federal Small Business and Special Surveys Division of Statistics Canada.[38] Male business owners reported annual earnings some 66% higher than earnings reported by women business owners. The wage gap extends even to entrepreneurship, where one might expect owners to be able to exert greater control over their earnings.

There may be several reasons for this. Knight posited that women-owned businesses are newer and smaller than those owned by men, so that they cannot afford to draw higher salaries.[39] Women entrepreneurs may be more conservative and retain more earnings within the business. The primary motivation of women may not be financial; women business owners may be more interested in the flexibility with regard to paid work and family responsibilities inherent in self-employment and may therefore settle for just an adequate income.

Business owners in the focus groups debated the reasons for lower earnings. Some felt that women business owners do not know the worth of their own jobs and, consequently, underpay themselves. Others felt that women in general do not know their own worth and thus underestimate the salaries they should be paid. As one participant stated:

> Women don't value themselves. They are more concerned with getting the job done. While men, who need the job equally as bad, and even more so, will gamble on not getting the job by demanding more.

One woman mentioned that she paid herself a modest salary because her self-image had not caught up to the reality of the business: "Here is little Ruth running this big company." We were unable to determine through the survey questions whether the relatively small compensation packages resulted from conservative evaluations of worth or from long-term business investment strategies. Several business owners felt that women reinvest more of their earnings in the business, sometimes because they have husbands as primary breadwinners. Indeed, our data showed that single business owners took higher levels of compensation than married women.

> Married women have a back-up . . . with the income from the husband. They know they can cover the groceries and the rent.

The single parents in the focus group argued, however, that they too took lower salaries in the interests of reinvesting to build up the business. They felt that women entrepreneurs are not concerned with lifestyles: "I take out exactly what my bare necessities are."

The wage gap between men and women entrepreneurs narrowed slightly between 1981 and 1986.[40] Furthermore, the annual income of business owners (both incorporated and unincorporated) is some 30% higher than that for all classes of workers (and the difference is 60% when only incorporated businesses are analysed). Women entrepreneurs earn more as entrepreneurs than as employees, but they still earn less than men entrepreneurs. Entrepreneurship is not the golden road to equality.

Making a Venture Grow

Starting a business may be the easiest part.[41] Indeed, focus group participants emphasized that if they had known what they were getting into, they might not have started their businesses at all. Each business owner in our survey was asked about her firm's growth patterns and was asked to explain the factors influencing growth.

Years In Business

Twenty-seven per cent of the sample described their businesses as being in the start-up phase, while 28% were stable (revenues growing at about the same rate as inflation). Nearly 45% of the sample firms were growing. (Surprisingly, only one firm in the sample described itself as in a period of decline or negative growth.)

These figures may be explained in part by the relative age of the companies: 70% of the businesses in this sample were less than ten years old (see Table 10).

Table 10: Years in Business

Years	Sample	
	Frequency	Percentage
Less than two	35	18.0
Two to five	47	25.0
Six to ten	51	26.0
Eleven to fifteen	44	23.0
Twenty plus	1	0.5

Growth Patterns

These data highlight the relative newness of the trend toward business ownership for women. Most of the sample (84%) reported increases in sales over the past three years, thus substantiating their observation that they are in a growth phase. The single reason cited most often for this growth was market conditions (see Table 11).

Table 11: Reasons for Growth

Reason	Sample	
	Frequency	Percentage
Market Conditions	42	22
Access to Money	31	16
Entrepreneurial Employees	27	14
Economic Climate	25	13
Power	14	7
Other	67	35

The owners also planned for future growth of their businesses. Ninety-three per cent had objectives for increasing sales. The growth plans reported by our sample may be overly optimistic, as the percentage projecting growth was higher than that reported for other Canadian samples. The 93% figure was much higher than that reported in the survey by the Ontario Ministry of Industry, Trade and Technology, in which one-third expected no growth at all. The researcher also concluded that women have modest expectations about their businesses: women are hoping to make a living rather than make it big. Our sample would have rejected this conclusion: most of the women entrepreneurs desired and planned for growth.

Job Creation

The historical pattern of increased sales is not paralleled by increases in the number of employees. Despite identifying themselves as being in a growth phase, only 45% of the women we surveyed had increased the number of employees over the last three years, and two-thirds of them reported only slight increases. With an average work force of fewer than three employees, this probably translates into less than one part-time employee. Because female-owned businesses in the retail and service sectors tend to hire predominantly women, these projections from businesses in the growth sector of the economy have serious implications for the employment of women. Sixty per cent of the respondents intend to hire more employees over the next three years, but only one-fifth report intentions of moderate to high growth.

Making a business grow requires money and know-how. If women business owners start off disadvantaged in terms of education and experience and continue to finance operations by taking lower salaries, they are destined to start small and stay small. A more important reason may be a time lag. As women gain access to business sectors other than retail and service, as lenders become accustomed to dealing with women business owners, and as women have more successful role models to emulate, the potential for growth may increase.

Financing Growth

Growing businesses are often financed by "taxing" the entrepreneur herself. Thirty-one per cent of the respondents in our survey reported taking no salary, leaving the company better able to finance daily operations. Indeed, 95% of these businesses were financing part of their own daily operations. This has serious implications for the potential growth of the businesses and is another reason that most women-owned businesses are small and will probably remain so.

A third of the respondents reported that banks financed their operations to some degree. More than half of these indicated that the extent of this financing was less than 15%. Peterson and Shulman reported that 67% of the established businesses in their Canadian survey had a bank loan.[42] The proportional amount was not reported, but even the crude statistic demonstrates that women business owners do not use banks to the same extent as male owners. Nor do they use other institutional sources. None of the businesses in our sample were receiving operating funds from venture capitalists or government agencies.

Discrimination

Part of the mandate of the study was to explore the extent to which women perceive discrimination from lenders, suppliers, and employees. The differential treatment that the respondents felt in dealing with lenders was discussed earlier. In general, 54% of those surveyed perceived some degree of discrimination. The sources of discriminatory treatment were as follows: lenders were mentioned by

24% of respondents, suppliers by 15%, and employees by 7%. During the interviews, the respondents commented:

> Yes, I faced discrimination from creditors, suppliers, employees, and associates. I am a pretty woman, and they don't take me seriously. The underestimation of our ability by the males can be seen as an advantage.
>
> Sometimes, with my suppliers, it got to the point of sexual harassment.
>
> Talking about visible minorities . . . there are times when I feel like an invisible minority. When clients and suppliers come in the door, and a man is sitting there, they will always address the man and pretend I'm not there. That's the kind of discrimination I feel — if a man and a woman are working together, people assume the man is in charge. I'm invisible. The same things happen with visible minorities. My friend, who is Chinese, says that people always assume that the Caucasian is in charge.

Over half the women surveyed felt there were advantages to being a woman in business. When asked what these advantages were, however, a disturbing picture emerged:

> You play the dumb woman, the stupid helpless woman and you can take advantage of it.
>
> You use your charm. At the banks, I always used my charm and it always worked.

The "helpless woman" posture offered a second perceived advantage; the women felt that men who did not see them as a threat were more open with information and often shared their tricks of the trade. Being different also enabled some women to obtain free exposure for their businesses from local newspapers.

The disadvantages of being a woman fell into two categories: differential treatment and role overload and conflict, which are discussed in the "Paid Work and Family Responsibilities" section.

Discrimination in access and treatment may influence the ability of women entrepreneurs to succeed in the same ways these factors undermine the success of women in other non-traditional occupations. Women are disadvantaged when they enter the work force because they tend to cluster (or be clustered) in a limited number of occupations, thereby limiting their ability to gain work experience in areas such as finance and management.

Conclusion

In short, the glass ceiling,[43] which is how observers have characterized the limitations on women's chances of attaining the highest levels of corporate or organizational management, may in fact be a glass box for women entrepreneurs. Even when a woman is already the president of the company, she faces invisible barriers to realizing her full business and personal potential: the walls of the glass box are the limits imposed by the attitudes and behaviour of lenders, suppliers, customers, and even employees.

Previous studies have established that women entrepreneurs do not differ significantly from men entrepreneurs in terms of their motivation and personal characteristics. Although this study did not compare men and women entrepreneurs directly, there are enough published data to conclude that women entrepreneurs are disadvantaged financially by comparison with male business owners. Women financed a larger proportion of start-up costs with personal savings, obtained little start-up capital, realized low profits, and received limited compensation. The reasons for these meagre financial returns may be influenced by feelings of self-worth, discrimination, investment strategies, or even managerial abilities. Managerial competence is the subject of the next section.

Managerial Roles and Functions

Running a business is difficult. The skills required are operational, managerial, and entrepreneurial. Our respondents had some operational skills, limited managerial skills, and restricted entrepreneurial skills. The mammoth task of acquiring these skills, while ensuring that a business survives and the owner makes enough to eat, is truly Amazonian.

The voluminous literature on management and leadership style and related topics is based primarily on studies of medium-size and large organizations. Because we were interested in the management of small enterprises by their owners, we decided to concentrate on the basic and pragmatic aspects of management by women entrepreneurs and small business owners. This led us to consider **managerial functions** and **managerial roles**. Despite the limitations of the literature in both areas, it is applicable to women in the kinds of enterprises in our sample.

We found few studies of the managerial functions or managerial roles performed by entrepreneurs, whether women or men.[44] We begin by reviewing this literature and go on to describe our concepts and measures of managerial functions and roles before presenting our results.

Cuba, Decenzo, and Anish researched management techniques used by 58 female owners of small businesses.[45] Their approach was to analyse the daily activities carried out by the owners. However, their population had some unique characteristics (for example, 47% owned health shops, 18% were florists), which limits the usefulness of their conclusions. The data indicated that financially successful women owners delegated certain key tasks to employees, were more highly educated, and had more prior work experience than the less successful owners. The major shortcomings reported by these women were difficulties in leading and in delegating. In addition to a lack of formal planning and policy setting, other seemingly important management functions did not materially affect roles or profit. Moreover, the researchers found that the level of mental and physical effort and degree of participative management were not significant criteria for success.

Hisrich and Brush asked their sample of 468 women to rate their management skills in six areas: finance, dealing with people, marketing/sales, idea generation/product innovation, business operations, and organizing and planning.[46] Overall, the women entrepreneurs considered themselves to be adept at delegation, product innovation, and dealing with people; average in marketing, and organizing and planning; and weak in finance.

Hisrich and Brush also asked their respondents to identify problems encountered at start-up and in their current operations. At start-up, lack of business training ranked first (30%), followed by obtaining lines of credit (28%), lack of financial planning experience (26%), lack of guidance and counsel (21%), and lack of management experience (21%). These factors were generally ranked lower as problems in their current operations. Lack of experience in financial planning ranked as the most important problem in current operations (18%). Ten per cent reported the lack of guidance and counsel and a lack of management experience as problems.

Brown reports the results of a questionnaire survey of 180 women entrepreneurs and interviews with 30 of these women in Manitoba.[47] Two areas of her research are relevant to this section. Brown examined difficulties reported by respondents in developing managerial skills. The four areas of greatest difficulty were budgeting and financial projections, developing a strategy to obtain financing, developing a marketing strategy, and employee recruitment, training, and supervision.

Second, Brown identified the major problems her respondents experienced in managing their enterprises. The five most common were general business management, financing and financial management, selling and marketing, human resource management, and interpersonal and personal factors.

In a study of 62 small manufacturing firms, Stoner found that about 20% prepared long-range plans (three or more years into the future) and about half prepared short-term objectives (next 12 months).[48] However, nearly half the firms failed to pursue their objectives in written form. These data confirm a recognized problem in small firms — plans really exist only in the mind of the entrepreneur/manager.

Pellegrino and Reece interviewed 20 female entrepreneurs, who reported few difficulties with employee selection, training, and supervision and only slightly more problems with managerial practices.[49] Their respondents reported greater difficulties with obtaining funds, financial management, and record-keeping.

In summary, other studies identified a wide range of managerial weaknesses, all self-reported. Financial management was the only consistent problem area.

Managerial Functions

The earliest writers on management provided lists of managerial functions.[50] After an extensive survey of this literature we identified five managerial functions that we believed entrepreneurs and small business owners would perform and that covered the complete range of managerial activities:

- ☐ financial management and accounting;
- ☐ marketing and public relations;
- ☐ production/operations;
- ☐ office management and administration; and
- ☐ personnel and labour relations.

We were interested in discovering the amount of time the entrepreneurs in our sample spent on the five functions and their assessment of their competence in these functions. Answers to the first question would address some of the issues associated with enterprise growth and stage of development. Answers to the second would shed light on training and development needs as well as the success of the enterprises.

Time Spent in Managerial Functions

Respondents were asked to specify the percentage of time spent on each managerial function. There was considerable variation in times reported for the functions (see Table 12). Some entrepreneurs reported they spent none of their time on a given function; others reported spending 76% to 100% of their time on the same function. As a whole, women in the sample spent more time on production/operations than on any other function. This was followed by marketing and public relations; personnel and labour relations; office management and administration; and financial management and accounting.[51]

Most of the entrepreneurs, on average, spent between 1% and 25% of their time on the five managerial functions. This suggests that performing all five functions is part of the entrepreneur's administrative responsibility.

Table 12: Time Spent on Managerial Functions

	0%		1-25%		26-50%		51-75%		76-100%	
	N	%	N	%	N	%	N	%	N	%
Financial Management and Accounting	27	14.1	115	60.2	37	19.4	6	3.1	6	3.1
Marketing and Public Relations	26	13.5	80	41.5	36	18.7	29	15.0	22	11.4
Production/Operations	34	17.8	43	22.5	27	14.1	36	18.8	51	26.7
Office Management and Administration	28	14.5	109	56.5	36	18.7	11	5.7	9	4.7
Personnel and Labour Relations	33	17.1	108	56.0	21	10.9	11	5.7	20	10.4

Table 13: Self-rated Competence in Managerial Functions

	Not Applicable		Not Very Competent		Somewhat Competent		Competent		Very Competent		Extremely Competent	
	N	%	N	%	N	%	N	%	N	%	N	%
Financial Management and Accounting	9	5.0	12	6.7	22	12.3	63	35.2	50	27.9	23	12.8
Marketing and Public Relations	18	9.7	5	2.7	16	8.6	47	25.4	61	33.0	38	20.5
Production/Operations	18	10.4	1	0.6	2	1.2	33	19.1	73	42.2	46	26.6
Office Management and Administration	21	11.0	7	3.7	9	4.7	67	35.1	59	30.9	28	14.7
Personnel and Labour Relations	16	8.9	2	1.1	9	5.0	61	33.9	67	37.2	25	13.9

Competence in Managerial Functions

The women business owners then rated their competence in the managerial functions they undertook. Once again, there was considerable variation in the results for the five functions (see Table 13). The sample rated themselves most competent in production/operations, followed by marketing and public relations, office management and administration, personnel and labour relations, and financial management and accounting.

Self-rated competence in one managerial function was significantly and positively related to self-rated competence in the other managerial functions. That is, the women rated themselves at a relatively similar level of competence for all five functions.

There was a relationship between the amount of time spent on various managerial functions and self-rated competence in these functions. It was not possible to tell, however, whether the women spent time on a managerial function because they were competent in it, or whether they were competent in a given function because they spent time on it. Both relationships may be operating simultaneously.

Managerial Roles

Mintzberg identified ten managerial roles based on intensive observations of a small number of senior managers in large organizations.[52] Other researchers have verified the existence of these roles in studies of managers in medium-size and large organizations.[53] These roles, made up of organized clusters of behaviours, seemed to be equally appropriate for entrepreneurs. The roles are shown in Figure 1.

Figure 1: Mintzberg's Managerial Roles

Interpersonal Roles	Informational Roles	Decisional Roles
Figurehead	Monitor	Entrepreneur
Leader	Disseminator	Disturbance Handler
Liaison	Spokesperson	Resource Allocator
		Negotiator

Note: **Figurehead:** Doing ceremonial things like taking visitors on a tour of operations, presenting awards to employees, and signing papers.
Leader: Managing employees; hiring, training, motivating.
Liaison: Making contacts with outsiders to stay informed about what's happening; having lunch with someone who supplies information.
Monitor: Listening to clients, subordinates, suppliers, etc.; acting as a sponge for information.
Disseminator: Passing information on to others, channelling requests and ideas to other people in the organization.
Spokesperson: Giving information to outsiders about the company (for example, auditors, media, etc.).
Entrepreneur: Looking for opportunities to grow, improve, change the way things are done.
Disturbance Handler: Fire fighting, solving problems and crises, dealing with unexpected problems.
Resource Allocator: Making decisions about who should do what, how the money should be spent, how you spend your own time.
Negotiator: Getting involved in major negotiations, such as negotiating salaries with senior employees or prices with suppliers.

Performing Managerial Roles

The entrepreneurs in our survey were asked how often they undertook each of the ten roles. Responses ranged from rarely to several times a day. Once again, there was considerable variability for each role. Some respondents indicated that they rarely performed a particular role; other respondents reported performing the role several times a day (see Table 14).

The entrepreneurs in this sample performed the roles of Monitor, Entrepreneur, Disseminator, Resource Allocator, and Disturbance Handler most frequently. The roles of Figurehead, Spokesperson, and Liaison were played infrequently, a reflection of the size of the businesses.

As a group, the interpersonal roles were performed less frequently than the informational and decisional roles. Of the three interpersonal roles, the Leader role was undertaken more than the Liaison or Figurehead role. Thirty-five per cent of our sample reported performing the Leader role at least once a day. This is not surprising because this role involves interaction with staff for purposes of motivation and spurring performance. About 19% performed the Liaison role daily, while only 8% performed the Figurehead role daily.

Table 14: Performing Mintzberg's Managerial Roles

Role	Several Times a Day		Once a Day		Once a Week		Once a Month		Rarely	
	N	%	N	%	N	%	N	%	N	%
Interpersonal Role										
Figurehead	11	5.9	3	1.6	21	11.3	27	14.5	124	66.7
Leader	38	20.0	29	15.3	30	15.8	19	10.0	74	38.9
Liaison	19	10.1	16	8.5	44	23.3	57	30.2	53	28.0
Informational Role										
Monitor	111	58.1	36	18.8	29	15.2	10	5.2	5	2.6
Disseminator	90	46.6	32	16.6	34	17.2	11	5.7	24	12.4
Spokesperson	8	4.3	9	4.8	18	9.6	56	29.9	96	51.3
Decisional Role										
Entrepreneur	94	48.7	38	19.7	31	16.1	18	9.3	11	5.7
Disturbance Handler	76	39.4	38	19.7	33	17.1	13	6.7	32	16.6
Resource Allocator	77	39.9	30	15.5	45	23.3	19	9.8	18	9.3
Negotiator	41	21.9	21	11.2	30	16.0	32	17.1	63	33.7

With respect to the three informational roles, the Monitor role was the most commonly reported of the ten managerial roles. Seventy-seven per cent performed this role at least daily. Sixty-three per cent undertook the Disseminator role at least once a day. Only about 9% performed the Spokesperson role at least daily. These entrepreneurs thus spend a great deal of time tuning into their internal and external environments to collect and store information.

Four roles make up the decisional role: Entrepreneur (looking for ways to improve the functioning of the organization), Disturbance Handler, Resource Allocator, and Negotiator. Sixty-nine per cent of our sample perform the Entrepreneur role at least daily. Fifty-nine per cent perform the Disturbance Handler role at least daily. This role involves fire fighting — solving problems and dealing with crises. Fifty-five per cent reported performing the Resource Allocator role at least daily. Finally, 33% perform the Negotiator role at least daily.

While using Mintzberg's managerial role profile for entrepreneurs appeared appropriate, the stage of business appeared to moderate the findings.

Stage of Business Development

We examined the entrepreneurs' experiences as a function of their subjective perception of the current stage of their businesses. Five stages were compared: starting, still fragile, growing, stable, and declining. The following points summarize our findings:

- Women entrepreneurs in starting businesses spent significantly more time on the five management functions (financial management, marketing/public relations, production/operations, office management/administration, personnel and labour relations) than entrepreneurs in the other stages of business development.
- Entrepreneurs in starting and still fragile businesses rated themselves significantly less competent in these functions than did women whose businesses were stable.
- Entrepreneurs whose businesses were growing performed more of the Mintzberg interpersonal roles than entrepreneurs whose firms were starting, still fragile, or stable.
- Entrepreneurs in starting businesses worked significantly more hours per week than entrepreneurs in growing or stable businesses.

Our data show that the start-up stage was particularly demanding. Women entrepreneurs whose businesses were in the start-up stage worked more hours per week and spent significantly more time fulfilling the management functions. These women also rated themselves significantly less competent in the management functions, a reflection of their relative inexperience.

As expected, female entrepreneurs whose firms are new or growing spend more time in entrepreneurial roles, perhaps because of the need to develop contacts with customers, suppliers, staff, and other entrepreneurs.

We also had another measure of the stage of development of the business, which we used to select our sample of respondents. Readers will recall that entrepreneurs from three types of firms were selected for study: new, growth, and mature.

The first question one could ask is whether these objective categories were related to other variables indicating the life cycle stage of the business. New firms, as contrasted with growth and mature firms, were more likely to be described as in the start-up or fragile stage than as stable or declining. In addition, entrepreneurs with new enterprises were significantly younger than entrepreneurs with growth or mature enterprises. Thus there was an expected relationship between the objective measure and the self-reported stage of business.

Somewhat surprisingly, the objective stage of the business was significantly related to few other variables. Thus, entrepreneurs in new enterprises spent significantly more time in the five managerial functions than did entrepreneurs in growth firms. But no differences were found on the following variables: self-rated competence in management functions, time spent in Mintzberg's ten managerial roles, and hours worked per week.

These data indicate that self-reported stage of business development had a stronger relationship with managerial functions and roles than did the objective measure of business stage as we applied it. The lack of relationship between managerial functions and roles and objective stage of business may have resulted from the fact that enterprises in the three categories, though differing in length of existence, still had much in common (for example, size). In addition, women entrepreneurs who believe their enterprises are at the start-up stage may behave differently from entrepreneurs who see their businesses as being at other stages, regardless of the objective classification.

Presence of Specialized Managers

As firms grow, entrepreneurs and owners often hire managers specializing in various functions. The respondents in our study were asked whether they had specialized managers on staff.

The data indicated that half the firms had specialized managers. The women entrepreneurs in the other half of our sample were direct managers of their own staff.

Developing Managerial Skills

Where did the women acquire the skills to fulfil their managerial functions and perform the managerial roles necessary to the success of their enterprises?

Thompson reports on a telephone survey of 360 Canadian small business owners; more than 60% reported that they had gained the experience they required to run their own businesses as employees of other firms.[54] In their sample of 468 women entrepreneurs, Hisrich and Brush found that most (64%) tend to start businesses in fields where they have had job experience.[55]

Direct quotes from the women in our focus groups shed some light on this question. Participants reported that they developed skills through observing how their mothers managed their households; through management of their own families, volunteer work, and previous jobs; through training courses (but this was not frequent); and through previous experience, more broadly defined.

Observing one's mother and family

> When did I learn to manage? My mother taught me that when I was 8 years old at home.
>
> I was sitting in on an MBA accounting class at York [University] when the instructor talked about setting aside contingency funds for special projects. I learned that as a kid at home.

Managing one's own home

> Managed homes, managed children, managed money. Managed to get the laundry out and the kids to their activities.
>
> Take organizational abilities learned at home and apply it to work. It's just logic and common sense.

Volunteer work

> I was hiring and firing volunteers. That is a more delicate job than handling people you're paying. And it was a good training ground.
>
> I did training sessions for 100 volunteers at a time.

Previous work experience

When I was in teaching for 12 years, I was in selling.

I did sales and other office functions. You have a lot of on-hand knowledge, expert knowledge.

Learning from others

If there's something you don't know how to do — find someone who can do it whether it's business planning or something managerial.

I ask my accountant. I ask my lawyer. I ask my banker.

Networking

I have a few businesswomen whose offices I can go into and say, "This happened to me today. What would you do if this happened to you?".

The best training ground is to sit on boards. Get involved in the community. Sit on boards of trade, business associations.

Courses

I took an administration course.

I've taken courses at night in book-keeping — the rest is self-taught, and being checked by an accountant.

Learning on the job

Just on the job. And I'm pretty good with figures — you know I don't have math anxiety.

Important Management Skills

Although the women responding to our questionnaire rated their performance in management functions as at least competent, the women in our focus groups suggested that they all had difficulties with particular areas of management.

Planning

If you don't plan your growth, if you just go along with it and it carries you along every which way, then you won't develop the way you intend to. But if you plan what you want to do and what you want to accomplish in a given period of time, you have something to measure where you were and what you have accomplished.

You have to plan. You can't just say I want to do it, or I'm going to do it, or I'd like to do it.

If I'm going to grow I have to do the appropriate studies and research.

Delegating

Men in the business field become used to delegating. I don't think women have yet learned that process of delegation.

You have to be able to delegate and let go.

> If you don't learn to delegate, you're mothering, not managing.

Buying help

> Men are quicker to hire help than women. Most of my clients are men. When dealing with women business owners there is more hesitation to hire professional help.
>
> You have to know what your time is worth — what you should do and what you should hire another to do.

Absence of role models and networks

> I left a secure job at 50. What I found difficult was that I had no role models. I had no one to network with.

Attitudes

> An attitude of success. If you see yourself as successful, you have a better chance of making it.
>
> I went into it with the idea it was going to be successful and I never thought that it wasn't going to be. Never look back. That's right. It's an attitude which is key.

Conclusion

The entrepreneurial role is a demanding one, and probably more complex than most jobs in our society. The risks are also high. The entrepreneurs in our sample used their own money to establish a business in sectors with high rates of failure. Approximately one-third of our sample were in the start-up stage (less than two years in business). At this stage, owners work longer hours, spend more time on entrepreneurial tasks, and feel less than competent in managerial tasks. Four out of ten had no related operational experience, none had formal business training, and few had management experience.

The challenges women entrepreneurs face in managing a business are exacerbated because they have limited training in business, limited management experience, are isolated from peer networks, and have little time to develop external support groups. They are particularly vulnerable in the start-up phase, where their limited experience and long working hours are felt most keenly. These problems are faced by all entrepreneurs, regardless of sex.

The heavy demands of running a business (and, as discussed in the next section, the double duty as wife/mother and entrepreneur) result in long hours and isolation for the woman entrepreneur. Stereotyping and discrimination compound the problems of obtaining managerial experience and support from peer networks, and therefore have an impact on the growth of the business. If the woman entrepreneur is to escape her isolation, targeted programs — designed with the unique needs of the female business owner in mind — must give her the chance to grasp the myriad opportunities in the world outside the glass box.

Paid Work and Family Responsibilities

The roles of worker, manager, and entrepreneur are demanding, skill testing, and time consuming, as we have seen in previous sections. But most of the women in our sample are also married and have children, giving them at least two additional roles. Women entrepreneurs cope with these demands in a way seldom experienced by men — by attempting to do everything.

The past decade witnessed renewed attention to the relationship between paid work and family life. However, the literature has focused almost exclusively on professional and managerial women and men in large organizations. Moreover, the literature is far from conclusive about the nature of the interface between professional and personal lives.

The few studies of female entrepreneurs provide, at best, sparse descriptive data on this aspect of the entrepreneurial experience. Thus we know that female entrepreneurs generally work 40 to 50 hours a week, are married, and often have children. We also know that female entrepreneurs manage multiple and potentially conflicting roles. But we were curious about how women in non-traditional occupations cope with the multiple demands in their lives and how they feel about them. We wanted to discover the importance of these roles to their sense of who they are, as well as how demanding and intertwined these roles are.

Demands of the Entrepreneur Role

The demands of the entrepreneur role can be sources of both stimulation and stress.[56]

Long Hours

This is no doubt the best-known demand on small business owners. Business work days often extend through the evening. The work week often extends into a working weekend. Most women in this study (90%) worked full-time in their business, and almost a quarter worked more than 70 hours per week, a typical time investment for entrepreneurs. But they also combine the demands of paid work with family responsibilities.

Performing Managerial Roles and Functions that Ensure Business Success

Although we do not know the extent of the link between managerial functions and the success of the enterprise, we know that every entrepreneur is called upon to perform all of them. The pressure to perform, combined with a perceived lack of competence in performing a role or function, is a significant source of stress for the entrepreneur.

On the other hand, performance in certain managerial functions (for example, personnel and public relations) and roles (liaison or monitor) may benefit from abilities developed in the entrepreneur's non-business life, such as sensitivity to people, ease in making contacts, concern for the interests of others, listening to the story between the lines, and so on.

Playing an Array of Roles Other than Managerial

When the business is small, the entrepreneur must often fill in on different tasks to get the job done. This means that entrepreneurs pitch in at jobs for which they may have little interest or ability while their own work piles up.

Dealing with Uncertainty

Suppliers and customers are two critical groups with which the entrepreneur must deal and upon whom she depends. The quality of relationships with suppliers and customers is critical to business success. However, coping with their demands poses challenges even as it contributes to maintaining good working relationships. Other uncertainties are also sources of stress, such as variations in the economic cycle and fads in consumer preferences.

Bearing High Financial and Personnel Responsibilities

As we saw in "The Financial Picture" section, women who own small businesses invest their own resources to launch a company and many reinvest some or all of their salary to finance their companies' operations and growth.

On top of these financial responsibilities and the frustration inherent in paying employees while not receiving much income, small business owners must also act as managers of human resources (only 8% of our respondents had no full-time employees). Many studies on work-related stress have shown that being responsible for and managing personnel are major sources of stress.

Risks and Cost of Failure

The entrepreneur's financial and personnel responsibilities may increase dramatically the financial, psychological, and social consequences of the business's success or failure, thereby exacerbating the stress she experiences. Moreover, the entrepreneur is likely to believe that she cannot afford to fail, not only because she has put all her money into her company, but also because her dreams, her self-esteem, and her sense of responsibility for others are tied up in it as well. In one of the focus groups a woman entrepreneur remarked:

> When will the banks understand that we will not fail! Whatever it takes, we will do it: work harder, reduce our salary, put in more effort, etc. We will not fail; we cannot fail!

Challenges Particular to Women Entrepreneurs

While meeting the challenges facing all entrepreneurs, women business owners also face particular challenges. Among those documented are the following:

☐ difficulties in access to capital;[57]
☐ discrimination from suppliers, bankers, government agencies, employees;[58]
☐ inexperience as managers;[59]
☐ challenges of breaking new ground, of forging a new role for women.[60]

Our study does not address the particular challenges associated with breaking new ground. It is widely recognized that female entrepreneurship, despite its evolution in the past ten years, is far from being an established alternative for women. The resistance, found by Knight,[61] to letting daughters inherit family businesses testifies to that assertion, as does the discrimination reported by women in this study. During the focus groups some women commented on the frustration of having to justify their commitment to their company day in and day out, sometimes to their families, sometimes to their bankers.

> You have to see yourself as a winner; you need that attitude to make it through because nobody else sees you as one!

When the demands on the small business owner are heavy, support from the family is often important. Goffee and Scase have shown that male small business owners are often relieved of responsibility for office management and administration by their wives.[62] Correspondence, book-keeping, inventory, bill collection, payroll, and other business activities are often taken over by his wife, whose work is generally unpaid. The wife's participation is often more than a helping hand, becoming a reliable and ongoing involvement. Many wives forego their own career plans to be this invisible but essential collaborator. Their husbands sometimes but not invariably pay for this critical contribution to the success of their enterprises.[63] Some of these wives are now seeking recognition; they are known in Quebec as *femmes collaboratrices*.[64]

Women entrepreneurs, unlike their male counterparts, do not benefit widely from the helping hand of the spouse to relieve them of administrative tasks free of charge. Partners are often willing to help, as are children, but they seldom forego their own professional activities to do so.[65] As one focus group participant explained:

> When we moved the store to the new location, both our families came to help paint, clean, decorate, and pack. They were great! But it is clear that we have more than used up our brownie points; they made it clear that we should not ask for help for a while!

Another major source of challenges and stress for women entrepreneurs is their personal circumstances, which typically include family and household responsibilities. Unlike most men entrepreneurs, women entrepreneurs are not relieved of these responsibilities when they start a business.[66] The next section explores the scope of these responsibilities and the experiences women entrepreneurs report about them.

Entrepreneurs' Other Roles

Women in Canada who own and manage their own firms do not choose that role as an alternative to the roles of spouse/partner; in fact, most combine these roles. In this study, the proportion of entrepreneurs with a husband/partner is similar to that in Canada's female population in general.[67] Statistics Canada reports that, in 1986, 58.2% of women in Canada were married or lived with a partner; in our study, 57.5% had a partner when they started the business and 56.5% had one when the study was conducted. As for the role of mother, 25.4% of our respondents had no children when they started their business. This is similar to findings in a survey of 400 women entrepreneurs from Quebec; 22% had no children when they got into business.[68] In our group of almost 200 entrepreneurs, 88 (45.6%) were both partners and parents. We have also seen that women entrepreneurs are no more likely to divorce or separate than Canadian women in general. Therefore it is clear that many women business owners in Canada also manage a family.

The roles of entrepreneur, spouse/partner, and parent are all important to their self-identity, with many respondents ranking them equally. Table 15 shows the ranking that respondents gave to the important roles in their lives.

Table 15: Identity and Major Roles

	Number of Respondents Ranking Role			
Three Most Important Roles	**1st**	**2nd**	**3rd**	**Not 1st, 2nd, or 3rd**
Entrepreneur	68	43	41	41
Parent	70	32	23	68
Spouse	34	54	16	89
Friend	8	13	38	134
Manager	13	25	18	137
Member of the Community	5	5	17	166
Daughter	4	6	10	173
Sister	3	–	11	179
Grandparent	1	4	5	183
Other	1	2	1	189
Neighbour	–	1	–	192

The time and energy given to the top three roles may be unique to female entrepreneurs and may be related to role overload, role conflict, and stress.

Demands of Family Roles

The scope of the women entrepreneurs' responsibilities for household tasks, general maintenance and repairs, childrearing, and decision making (financial, investment, and other issues affecting the family) has yet to be studied in detail. The data we gathered are of a general nature. Before presenting it, we will look at what is known generally about the household and family responsibilities of women working in the paid labour force.

We know from the work of Shaver, Pullis and Olds, who surveyed a national sample of married, largely middle-class women in the United States, that the vast majority of U.S. women who work outside the home either full-time or part-time are assuming all or most of the responsibility for child care and household tasks. Husbands are responsible for general maintenance, and responsibilities are shared equally in the areas of disciplining children and deciding on major purchases.[69] Another study compared the home and family responsibilities of women holding professional or managerial positions with those of women working in lower status jobs such as sales and office work. No significant differences were found between these groups except in the disciplining of children, which professional women assigned slightly more often to their husbands.[70]

Thus, it is clear that while women's employment situation has changed significantly in recent decades, this has had little impact on their household and family responsibilities. The double-shift day is still the rule for women in the paid labour force, whether they are professionals, managers, or other employees.

It is also clear that women breaking new ground in business have not managed to renegotiate family and home responsibilities. In a survey of 400 Quebec women owner-managers, 40% of the respondents said that they were solely responsible for child care and childrearing when they started their company, while 26% said that their husbands shared these responsibilities in some way; only one woman had a husband/partner who took primary responsibility for child care and childrearing. This situation did not change much as the company grew; any decline in the women's responsibilities for child care was because the children were old enough to care for themselves.[71]

We did not explore the household and family responsibilities of women entrepreneurs in detail, but we did ask them about their family care situation when they started their business and at the time of the study. We asked them whether, if their children were not old enough to care for themselves, they relied on child-care centres, school, or full-time hired help, whether they were solely responsible for the care of the children, or whether the spouse shared the responsibility. The results are shown in Table 16.

Table 16: Family Care Situation

	Type of Family Care At Start-up %	Situation Now %
Children were old enough	45.5	65.2
Child-care centre and school	16.5	13.6
Hired full-time help	16.5	9.1
Entrepreneur has full-time responsibility	13.2	8.6
Spouse shares half the responsibility	0.8	0.8
Other arrangements	7.4	4.5

Note: N = 132

Again, the results reveal the limited extent to which husbands take on primary responsibilities for child care, as well as the women's limited reliance on full-time paid help. When they launched their companies, the women entrepreneurs whose children were not old enough to care for themselves relied almost equally on the school and child-care system, on hired help, and on themselves. Later, as more children became old enough to care for themselves, the women relied less on full-time help. A full-time housekeeper would generally care for the children, but would also undertake household tasks such as cleaning, laundry, and cooking; as a result, the limited use of hired help could mean in some cases that as the children grew older, household responsibilities were redistributed. We do not know, however, whether they are shared equally among all household members, or whether women continue to assume the lion's share.

The limited extent to which the women in our sample, who work 50 to 70 hours a week, hire outside help is surprising; yet our results are similar to those reported by Lavoie who showed that about 10% of entrepreneurs used domestic help.[72] The relatively modest incomes of these women may limit their ability to hire help at home; but when they do it themselves, this is yet another way in which they subsidize their companies. This pattern in the use of hired help is different from that found in studies of how dual-career couples manage household responsibilities. Dual-career couples usually hire outside help to take on some household responsibilities previously assumed by the wife.[73] However, the women included in most dual-career couple studies tend to be professionals or managers, and their use of paid help may be explained in part by their income level. Our respondents may have been using a large number of part-time helpers (window washers, babysitters after school), which is itself a time-consuming management task.

Focus group participants discussed the scope and the weight of their household responsibilities. There was agreement that the participants assume primary responsibility for managing and performing domestic activities and for raising children. They sometimes get help from their children and spouse, but they are rarely relieved of responsibility for organizing that help. There was more disagreement, however, about what the ideal situation might be. Thus, for example, some women stated that they did not want help with some domestic tasks (spring cleaning and cooking were mentioned) because they enjoy doing it.

> When I can get to my cupboards and closets and sort them out, keeping what I care for and putting the rest in big garbage bags, I like it. It is satisfying to get rid of the clutter and organize my house. I do it once in a while!
>
> It is important for me to prepare and cook our meals. I like to cook. I also prepare the kids' lunch that they eat at school; I fix them what they like so I am sure that they eat well and their nutrition is well balanced. Cafeteria food too often is of no interest to children, so they do not eat properly!

These comments stirred debate; other entrepreneurs reacted vehemently, saying that they have shed most household responsibilities, keeping only childrearing — the only worthwhile one in their view. Others wished they could do the same but felt they could not afford it.

The debate demonstrated the diversity of the women's attitudes toward household work. They ranged from "not doing any of it if I can" (because they are simply not interested) to "keeping certain tasks I enjoy", to "doing most of it, because I like doing it" (she controls how it is done), and "I like the results" (they satisfy her standards, and she experiences immediate gratification from a task done and well done).[74] The influence of socialization and cultural definitions of women's roles and tasks was obvious to many during the debate. The prevalence of these attitudes among women entrepreneurs in Canada generally, however, cannot be assessed on the basis of this study.

The stresses and role conflicts facing married women employed in the paid labour force have been well documented. They are described as being inherent in women's multiple roles and in the different cultural values placed on paid work and family by men and women.[75] We have just seen that these stresses and conflicts remain and even increase even when women give paid work a high priority, as the entrepreneurs in our study do. The demands of family responsibilities are certainly more pressing than those on most male entrepreneurs, and they are similar to those facing most women in the paid labour force. Thus, women entrepreneurs face a high level of demands and numerous potential stresses in both their professional and their family lives. Moreover, we have seen that their business-related stress is likely to be more diverse and prevalent than that experienced by male entrepreneurs; the same holds true for personal and family stresses. Our data do not allow us to document this hypothesis, however, because no male entrepreneurs were surveyed for the study.

Relationship Between Paid Work and Family Roles

This section explores how female entrepreneurs in Canada see the relationship between their business and family roles. Are these separate domains, or do needs, demands, and experiences in both spheres interact? If so, are the interactions positive? Do good experiences and feelings in one role generate positive attitudes in the other role? Are knowledge and skills developed in one role applied with success in the other? Are the interactions negative? Do the stresses experienced in one role undermine energy or enthusiasm for the other?

Despite considerable attention to the relationship between paid work and family in recent years, we know little about how entrepreneurs, particularly women entrepreneurs, experience them. Before looking at how women entrepreneurs in our survey responded, we review what is known about this relationship.

The relationship between paid work and family is often described as falling into one of five categories:

- ☐ **separate or independent**: the person tries to isolate these two roles from each other; at work she focuses on work, while at home, she tries to focus only on the family; she does not see a relationship between the two spheres nor does she want one;
- ☐ **complementary**: the person seeks the same types of satisfactions and experiences in both life roles; skills or interests in one role infuse every sphere of life;
- ☐ **conflicting**: what is gained in one role is paid for by losses in the other role; for example, successful family life is paid for through reduced professional achievement or slower career progress, and vice versa;
- ☐ **compensatory**: the person tries to get from one role what she cannot get from the other; a difficult family life leads the individual to seek more gratification from the professional domain, and vice versa;
- ☐ **spillover**: what happens in one role affects the other role positively or negatively; as a result, the person's experiences in the different domains are intertwined and difficult to separate.

Research into these relationships shows that there is some theoretical and empirical support for each category, but less is understood about how relationships may vary with, for example, individual or work characteristics or attitudes toward these roles (for example, commitment, competence).

Many studies, particularly studies of women, have shown that paid work and family responsibilities often conflict. For example, Pleck, Staines, and Lange found in their national survey of U.S. workers that as many as 34% of respondents reported interference between one sphere and the other. They also found that employed husbands and employed wives reported equally that their paid work and family responsibilities interfered with each other (34% and 37% respectively).[76] Studies of career success and its effects on family life have shown that the relationship is fraught with conflict.[77]

The strains experienced by women as a result of professional and family involvement have been documented, whether they are women working in low-status jobs, professionals, self-employed, or in organizations; they have also been shown to be associated with blocked careers and job termination of women managers.[78]

To explore how female entrepreneurs saw the relationship between their roles, we gave them five potential ways their major roles could be experienced, asking them to indicate the extent to which each applied to their own experience. The data are presented in Table 17.

Table 17: Role Integration

	Strongly Agree %	Agree Somewhat %	Neither Agree nor Disagree %	Disagree Somewhat %	Disagree Strongly %
I keep my roles as separate as possible from each other	28.8	20.4	11.5	17.8	21.5
My roles complement each other	58.6	27.2	3.1	7.9	3.1
My roles are in conflict with each other	4.2	13.2	4.7	18.9	58.9
Success in one role compensates for disappointments in another	24.3	28.6	9.5	10.1	27.5
I can't separate my roles	26.7	11.0	4.2	16.8	41.4

Note: Respondents were asked the following question: People may see their roles as parent, entrepreneur, and spouse in different ways. Could you please tell me if you strongly agree, agree somewhat, neither agree nor disagree, disagree somewhat, or disagree strongly with each of these statements.

There was considerable variability on each of the five statements, and several women considered that more than one statement described the relationship between their roles. Most respondents saw their roles as complementing each other, whereas about half saw their roles as either compensatory or separate. Almost four out of ten women felt unable to separate their roles, while fewer than two out of ten reported that their roles were in conflict with each other. Thus it seems that most women entrepreneurs experience positive relationships between their roles.

We looked for differences in the personal and business characteristics of the entrepreneurs who agreed or disagreed with each statement about roles but were unable to find any significant or meaningful distinctions. In fact, the five statements were not perceived as mutually exclusive by respondents who agreed with more than one. Given that each statement reflects a positive or a negative view of the interaction between roles, and that entrepreneurs often agreed with more than one statement, we developed an overall score indicating how positively women entrepreneurs see the complex relationships between their roles.[79] We then looked for differences in the personal circumstances, role competence, and role satisfaction of those with positive or negative attitudes toward the relationship between their roles. Again, we found no differences.

It seems that most of the women entrepreneurs in our sample consider their roles to be related to each other (rather than independent) and that the relationship between these roles tends to be positive (rather than negative or conflicting). This shows the integration and the connectedness of the various roles. We would therefore expect to find that experiences in one role, both positive and negative, have some impact on the other roles. For example, it is possible that feeling competent or satisfied in one's professional life has a positive effect on how one feels as a spouse or a parent. Similarly, is the level of demands women face in each role related to the level of demands they face in their other roles, given that role demands are controlled partly by the environment and partly by the women herself? Are very high demands in one role associated with lower demands in other roles? Do women entrepreneurs seek quiet periods in their personal lives in order to pursue demanding phases of their companies, such as rapid growth, launching new products, or exploring new markets? The next section looks at these issues.

Comparisons in Level of Demands, Importance, Satisfaction, and Competence Across Roles

We examined in detail the roles of entrepreneur/manager, spouse/partner, and parent in terms of their respective demands, importance to the sense of self, satisfaction, and competence for women who identified these as their most important roles. As shown in Table 18, we found that in terms of demands, the role of entrepreneur makes the most demands on respondents' attention (84% say that it demands "a great deal of attention" or more, compared to 60% for the spousal role and 66% for the parental role). However, it is surprising to note the proportion of women claiming that their roles of spouse/partner and parent are getting most of their attention (11% and 26% respectively). Correspondingly, relatively few women entrepreneurs report a low level of demands in their roles of spouse/partner or parent by responding that they give no attention or little attention to these roles (7% and 11% respectively). Having adult children not living at home may explain the proportion of entrepreneurs giving little attention to the role of parent. However, we do not have data to document this observation.

Table 18: Demands of the Roles of Entrepreneur/Manager, Spouse/Partner, and Parent

Level of Demands of Each Role	Entrepreneur/Manager		Spouse/Partner		Parent	
	N	%	N	%	N	%
No Attention	--	--	--	--	2	3.2
Little Attention	--	--	4	6.5	5	8.1
Fair Attention	10	16.1	21	33.9	14	22.6
Great Deal of Attention	31	50.0	30	48.4	25	40.3
Most of my Attention	21	33.9	7	11.3	16	25.8
Total of Respondents	**62**		**62**		**62**	
Mean Score	3.53		3.66		3.60	
Standard Deviation	0.59		0.51		0.56	

These numbers confirm the earlier discussion on the demands of professional and family roles; women entrepreneurs face a high level of demands in both aspects of their lives, and family responsibilities are demanding a considerable proportion of their attention.

Table 19 presents the level of importance to their sense of self that respondents attribute to their roles of entrepreneur, spouse/partner, and parent. Each of these roles is considered very important by a large proportion of respondents (70% for the entrepreneur role, 80% for the spouse/partner role, and 90% for the parent role). In addition, more entrepreneurs consider that their sense of self is very dependent on their personal/family roles, more so than on their professional role. This is another indication of the high level of psychological/emotional demands that women entrepreneurs face in their personal and family lives and shows the effects of socialization in the traditional cultural definition of women's role and identity.

Table 19: Importance of the Roles of Entrepreneur/Manager, Spouse/Partner, and Parent

Level of Importance of Each Role	Entrepreneur/Manager		Spouse/Partner		Parent	
	N	%	N	%	N	%
Not Important	--	--	1	1.6	1	1.6
Somewhat Important	1	1.6	3	4.8	1	1.6
Rather Important	17	27.4	9	14.5	4	6.5
Very Important	43	69.4	49	79.0	56	90.3
Missing	1	1.6				
Total of Respondents	62		62		62	
Mean Score	3.69		3.71		3.85	
Standard Deviation	0.50		0.64		0.51	

We were also interested in the entrepreneurs' evaluation of the rewards they get from their roles. Two types of psychological rewards/outcomes were selected: the sense of competence and the overall level of satisfaction experienced in each role. As shown in Table 20, in terms of competence, the proportion of women reporting a high level of competence is similar for each role (58% for the entrepreneur role, 66% for the spouse/partner role, and 60% for the parent role). Overall, two-thirds of the women involved in these roles consider themselves competent.

Table 20: Self-rated Competence in the Roles of Entrepreneur/Manager, Spouse/Partner, and Parent

Level of Competence in Each Role	Entrepreneur/Manager		Spouse/Partner		Parent	
	N	%	N	%	N	%
Not Competent	0	0.0	1	1.6	2	3.2
Somewhat Competent	3	4.8	2	3.2	4	6.5
Rather Competent	23	37.1	18	29.0	19	30.6
Very Competent	36	58.1	41	66.1	37	59.7
Total of Respondents	62		62		62	
Mean Score	3.53		3.66		3.60	
Standard Deviation	0.59		0.51		0.56	

The finding that about 40% of the entrepreneurs believe they are only "somewhat competent" or "rather competent" — as opposed to "very competent" — as entrepreneurs is not surprising. Some are learners, having assumed the role recently without previous experience, and others own companies that are not doing very well (declining profits and/or sales for three years or more).

The admission by one-third of participants that they are not very competent as parents or spouses, however, comes as something of a surprise. First, it indicates the candour of respondents who could have given more socially acceptable answers. Second, it may reflect compromises these women make to meet the high demands of their roles and the psychological cost they pay for it. Traditional expectations about role behaviours and the high physical/emotional/temporal demands of the parent and spouse roles may conflict with the demands of the entrepreneur role and account for some of this response. However, our data do not allow us to document this hypothesis. In the case of the six respondents who consider themselves not competent or somewhat competent parents, no differences were found between their personal and family characteristics and those of the other respondents. The number of women rating themselves not competent or somewhat competent spouse/partners was too small (3) to compare their characteristics to the others'.

In terms of satisfaction with their roles (see Table 21), again we found a high proportion of respondents who are very satisfied with their roles (70% for the entrepreneur/manager role, 82% for the spouse/partner role, and 77% for the parent role). The proportion of respondents who were not satisfied or somewhat satisfied in each role is similar, at about 6%. (We refer to them as the "less satisfied" respondents.) Some interesting differences were found between them and the more satisfied respondents. For the 14 less satisfied entrepreneurs, two characteristics of their companies distinguished them from the others. First, their businesses had not fared particularly well over the past three years, given that three saw a decline in sales, one saw only a moderate increase, and the other had a slight increase. Second, they are more pessimistic about the growth of their businesses over the next three years, one-third forecasting "no growth or a decrease" and the others "some low growth". In other words, the financial indicators of success are not favourable, which may partially explain these women's low satisfaction with their entrepreneur role.

Table 21: Level of Satisfaction as Entrepreneur/Manager, Spouse/Partner, and Parent

Level of Satisfaction in Each Role	Entrepreneur/Manager		Spouse/Partner		Parent	
	N	%	N	%	N	%
Not Satisfied	–	–	1	1.6	2	3.2
Somewhat Satisfied	4	6.5	3	4.8	4	6.5
Rather Satisfied	15	24.2	7	11.3	8	12.9
Very Satisfied	43	69.4	57	82.3	48	77.4
Total of Respondents	62		62		62	
Mean Score	3.63		3.74		3.76	
Standard Deviation	0.61		0.63		0.59	

Looking first at the biographical and family characteristics of the less satisfied spouses, they were different from the more satisfied spouses only in terms of the number of hours they worked; the less satisfied spouses work longer hours, with six of the seven working more than 50 hours per week. This may be an indication of interference and/or conflict between the entrepreneur and spouse roles, but it is associated with feelings of dissatisfaction with the entrepreneur role for only a few women.

There were six "not satisfied" or "somewhat satisfied" parents. All but one are married, most (five of the six) have children old enough to care for themselves, and four of the six work 36 to 50 hours per week. Thus, compared to the "satisfied" parents, the less satisfied parents are more likely to be married, have older children, and work the standard number of hours each week. The time demands of the entrepreneur role and the "single parent of young children" syndrome cannot explain the women's low satisfaction as parents.

We have seen that women entrepreneurs generally face great demands in both their professional and personal lives, that they attribute a great deal of importance to their roles of entrepreneur, parent, and spouse/partner in defining their self-worth, and that they feel competent and satisfied in each of these roles. However, this rosy picture does not mean that the women do not have to cope with difficulties and challenges. The next section explores how women entrepreneurs cope with the demands of their multiple roles and how they deal with role conflicts when they arise.

Coping With Multiple Role Demands

The demands of multiple roles often generate situations such as role overload, role conflict, and time conflict. These may take several forms in the life of an entrepreneur.

Role overload is having too much or too many things to do; it can be solved by delegating, hiring help, or assigning priorities and performing tasks in order of priority. Role conflict arises when demands conflict within the same role, such as having to respond to an urgent request from an important customer while also needing to finalize a proposal for a lender before an afternoon meeting. Conflicting demands may also arise across roles: the situation just described might also be punctuated by calls from a sick child at home. Finally, time conflict is the best-known struggle of busy people; for women entrepreneurs it may mean having to pick up the children from the child-care centre before 6:30 and having a major equipment breakdown just as you are leaving the workplace.

Finally, a less obvious but no less important source of conflict in role demands is the ambiguity involved in managing complex sets of demands without being able to rely on clear models to define the alternatives and set the rules governing choices. Women entrepreneurs are breaking new ground, and uncertainty is one of the prices they may pay.

How entrepreneurs cope with the multiple demands of their professional, parent, and spouse/partner roles has received almost no attention by researchers; this was evident from our review of two of the most important journals dealing with small business management and entrepreneurship, the *American Journal of Small Business* and the *Journal of Small Business Management*. A 1987 article on the subject was the only one found in these journals since 1981.[80] That study of 114 full-time self-employed women showed that they spent an average five hours per day on household work, which is only three hours less than the average full-time homemaker[81] and one hour less than the average time spent by the part-time self-employed. These findings are congruent with earlier research on family role demands.

Given that we expected female entrepreneurs to be playing multiple roles, we believed that exploring how they cope with the demands on them would add to our understanding of their management of work and family. To accomplish this, we adapted Hall's topology of coping responses, which proposes three types of coping strategies:

☐ structural role redefinition (type I), or efforts to change expectations of others in the environment about what, when, how much, and who should do certain things;
☐ personal role redefinition (type II), or efforts to change one's own expectations or habits; and
☐ reactive role behaviour (type III), or efforts to react and respond to all demands.[82]

Of these three strategies, Hall predicts that only the first two will be effective in lowering the level of stress experienced. This typology is appropriate in studying the experience of women entrepreneurs, because the demands on their time are high in both the professional and the private sphere. To cope, they may attempt to change the expectations and demands of others in their environment, for example, by delegating tasks or responsibilities or getting help at work and at home; in this way, they try to change external pressures. They may also try to change themselves, their habits and expectations, for example, by setting priorities, changing standards by redefining how well, fast and/or thoroughly they should perform certain tasks, by abandoning all attempts to be a superwoman, or by eliminating certain tasks or roles. Alternatively, they may try to do it all, attempting to meet all expectations and demands, despite overload and stress.

We developed a score for each coping strategy by averaging the response to each sub-scale within a coping strategy. The higher the score (on a scale of 5), the more the respondent uses that strategy. The results show that women entrepreneurs use each strategy often; the strategies used most are, in descending order, "react to all demands", "change oneself", and "change external pressures" (see Table 22).

We also wanted to know whether women entrepreneurs tend to favour a particular strategy, but the results show clearly that they use them all. Thus, respondents who coped by using a particular type of response were also more likely to cope by using the other two responses as well.

Table 22: Coping Strategies Used

Strategy Type	Number of Respondents	Mean Score	Standard Deviation
Change External Pressures	184	3.00	0.76
Change Oneself	179	3.52	0.67
React to All Demands	189	4.13	0.67

We explored the antecedents and consequences of the differential use of the three coping responses, looking for differences based on:

- ☐ biographical information on the respondent;
- ☐ characteristics of the respondent's business, including financial performance and goals for the past/next three years;
- ☐ demands and importance of their roles; and
- ☐ entrepreneur's reported role satisfaction and competence.

We found that respondents working more hours per week reported greater use of all three coping strategies than those who reported a shorter work week. Those whose roles were more demanding reported using more of each coping response, as would be expected. Those who coped by changing the external expectations and demands were younger and more likely to see their roles as complementary. Those who coped by changing themselves and their expectations had a greater tendency to keep entrepreneur and family roles separate.

Effects of Multiple Role Involvement

The effects of attempting to fill multiple roles were examined in several ways. We asked respondents to indicate, for various roles, whether performance in one benefited or hindered performance in the other. The role of entrepreneur/manager was compared first with role of parent and then with the role of spouse/partner. These data are shown in Tables 23 and 24.

The majority of respondents felt that the roles of entrepreneur/manager and parent benefited each other; when a negative impact was reported, the entrepreneur role had a negative impact on the parental role but not the reverse.

Table 23: Entrepreneur/Manager and Parent Roles

	Benefit	Negative Impact
Dual roles benefit each other	96	
Being a parent has a negative impact on entrepreneur role		5
Being an entrepreneur has a negative impact on parental role		21
Other (please specify)		9

Note: Respondents were asked this question: All in all, would you say that your roles of entrepreneur/manager and of parent benefit each other or that one has a definitely negative impact on the other?

Some entrepreneurs reported that being an entrepreneur had changed their relationships with their children. In the focus groups, several women told us that these changes were mostly positive:

> I have relaxed my standards with them; I am not trying to make a statement about me through them anymore. I let them more develop their own individuality.
>
> My children are now proud of me and of what I do.
>
> We now work sometimes side by side; we have a common project. There is an exchange — they work for me and I work for them! We are building something together.
>
> I involve them in what I do. Last year I taught my eldest (15 years old) to read and interpret a balance sheet. They are interested in my company and they are beginning to see it as our heritage.
>
> I now plan time with my children and I believe that we have a much better relationship. We use the time in playing together or doing things that matter; therefore our relationship is less taxed by trivial irritations.
>
> It has provided summer jobs for one of my children on occasion. I think that my professional life in general has provided my children with some interests as well. It may be the idea of a role model.
>
> The only thing I think that's negative, is every once in a while you get a guilty pang that you're not being there enough, because other people tell you that you should be with your kids more — so you have the guilt for a while until you realize that it's silly; you are there enough. That's just your own guilt, but you know you are not doing anything wrong!

When we asked how the role of entrepreneur/manager had changed the relationship with the spouse/partner, a similar pattern was present (see Table 24).

Table 24: Entrepreneur/Manager and Spouse Roles

	Benefit	Negative Impact
Dual roles benefit each other	102	
Being a wife/partner has a negative impact on entrepreneur role		1
Being an entrepreneur has a negative impact on wife/partner role		12

Note: Respondents were asked this question: All in all, would you say that your roles of entrepreneur/manager and of spouse/partner benefit each other or that one has a definitely negative impact on the other?

Changes in relationships with spouses/partners appeared to be largely positive, such as being better able to understand each other's commitment to work, providing advice, or being a sounding board. Some entrepreneurs said that their husbands respect them more than they did before; their relationship is more egalitarian.

> Now, we can have real discussions about what happened at the office; we can help each other because we understand the demands faced by the other.
>
> I feel he respects me more, and he is proud of me!

> We do things that interest us together. He is the best associate I could ever have. I can go home and discuss business with someone who knows what is going on. Our conversation is enriched and our communication is more interesting.

Thus the majority of respondents felt that the roles benefited each other. When a negative impact was reported, the entrepreneur role was seen as having a negative impact on the spouse/partner role, rather than the reverse.

> Although my husband doesn't want to admit this, it does cause some problems because of my success. Even though we've talked about it, he will never admit it. I help him in his business, but I still believe deep down inside it bothers him a little bit.

Interestingly, the entrepreneur/manager role appeared to have a more negative impact on the parental role than on the spouse/partner role; we can only speculate as to why. Children are certainly more dependent on parents than spouses are on each other. Children also have more concrete needs that may conflict with the entrepreneurial role because they arise for the most part during the work day.

Therefore, it seems that women entrepreneurs see their roles as entrepreneurs, mothers, and wives benefiting each other in positive ways. At times, being an entrepreneur can compensate for a difficult marriage relationship or problems with the children. Other times, the emotional support of a husband can make the difficulties of running a business less overwhelming. When the roles are in conflict, the women said they became less satisfied and felt less confident and competent in all three roles, each feeding negatively on the other. The balancing act is precarious: the three roles can be beneficial and bring about many positive changes, discussed below.

Consequences of Entrepreneur/Manager Role

We also explored how being or becoming an entrepreneur had changed the respondents' circumstances. Each respondent was asked whether becoming an entrepreneur had changed their relationships with their friends, their partner, their children, themselves, and their lives. The data are shown in Table 25.

Table 25: Consequences of the Entrepreneur/Manager Role

	Yes	% of Respondents
Did being an entrepreneur change your relationships with:		
Your Life	143	74
Yourself	134	69
Your Friends	106	55
Your Spouse/Partner	66	60
Your Children	41	30

The findings indicate that becoming an entrepreneur brought clear and significant changes. These changes were observed most strongly in the women themselves and in their lives. Fewer, but still a great number of respondents, reported changes in their relationships with their friends, their spouses/partners, and their children.

The focus groups reinforced our finding that being an entrepreneur has significantly changed these women's view of themselves, their self-esteem, and their evaluation of what they can do. Some commented that they now like and value themselves much more than they did before they started in business.

> The only thing, really, is that I feel better about myself and more confident; this improved all my other relationships.
>
> It has made me feel better about myself and given me more confidence as to who I am. I know I can see a project through, I feel secure about my abilities.

Focus group participants expressed changes in relationships with friends in diverse ways:

> I have lost many friends. I had to be selective because I have so little time for them. I think that the few friends I have now are "true" friends.
>
> My circle of friends has totally changed since I became an entrepreneur. The new friends are people I met through my business, and with whom I have some business relationships too. The others were too demanding on me and they did not understand that I was less available than before.
>
> My new friends are like me, entrepreneurs or professionals/managers. My former women friends, who chose not to pursue a career, felt they could not relate to me after I started my company, so we stopped seeing each other. I think I was a threat to them. They felt I was more like their husbands than like them!
>
> I want much more from a friend than before. It has to be give and take in several dimensions of life. I have very few friends, but I can count on the few I have.
>
> Which friends? I have none and I am not seeking any anymore. I have plenty of business relations and I get the support when I need it. Friends are too demanding.

Clearly being an entrepreneur results in good feelings about oneself and one's family. But one of the costs is friendship.

Benefits and Costs of Multiple Role Involvement

What do women entrepreneurs get out of their multiple role involvement and high role demands? The answers to the questions on role satisfaction and feelings of competence speak loudly and clearly of the rewards they experience. Their lives are gratifying; they face difficulties but they resolve them, resulting in feelings of competence and achievement.

These results are similar to those found by other researchers interested in entrepreneurs' satisfaction with their working lives. Naughton, for example, found that male entrepreneurs reported much higher levels of job satisfaction than managers who were facing similar job demands (in terms of hours worked, autonomy, and sources of stress). A demanding professional life is perceived by those who lead it as worth the cost, because it offers the rewards of autonomy, accountability to oneself, and feelings of achievement.

The answers to our questions on role satisfaction were echoed and developed during the focus groups. These entrepreneurs expressed how good it feels to look back on their achievements and on their responses to numerous challenges; they are proud of themselves. They have grown, become more skilled and competent than they thought they could be when they started out. Their self-esteem and self-confidence have bloomed. Several said that looking back on their personal development since launching their businesses had been a source of reassurance when they experienced self-doubt before a new challenge; it gave them the impetus to go ahead. The comments of one focus group participant sum up this attitude: "Now I know. If I want to, I can."

The women's families also benefited from their new approach. Being an entrepreneur was seen by most as having had a positive effect on their relationships with their children and spouses, making them better companions, more attractive role models, and more respected persons. As well, there had been obvious improvements in family financial resources and work/job opportunities for spouses/partners and children.

Such results tend to contradict the popular belief that high job-related demands are a drain on a person's resources. The people who participated in this study have shown that the high level of demands in their professional and personal lives is compatible with high levels of satisfaction and competence in those roles and that, overall, relationships between their roles were positive rather than characterized by conflict.

An alternative view of the benefits of multiple demanding role involvement must be developed that reflects the experience of women entrepreneurs and what they gain from it. If demands are well managed and experienced positively by the person subjected to them, they can entail a high payoff in terms of satisfaction and competence across roles and hence in personal fulfilment and feelings of self-worth.

Conclusion

The demands on women small business owners are heavy, both professionally and personally. On top of those met by male entrepreneurs, women entrepreneurs face other demands. Professionally, women entrepreneurs do not often benefit from the helping hand of a husband/partner who relieves them of administrative or production tasks, usually at no charge. Husbands/partners and children are willing to help, but they do not take on the same responsibilities that many wives do for their entrepreneur husbands/partners. In addition, women owners must often overcome the lack of confidence shown in them by bankers and government representatives as they seek support for their enterprises.

We were surprised and disappointed to find that women who are breaking new ground in business do not seem to have renegotiated family and home responsibilities. Like most women in the paid labour force, they bear most of the responsibility for household maintenance and management but share with their spouses/partners the raising of children. Few of the women employ full-time help. It was unclear whether they valued these traditional tasks and responsibilities and wanted to assume them, or they could not afford to hire others.

There were indications that the women in our survey with a stronger orientation toward traditional roles considered that the roles of parent and spouse were more critical than their entrepreneur role to their sense of self; women with a weaker orientation toward the traditional roles saw both roles as less important. Family life tended to be integrated: women entrepreneurs who attached high importance to family life and who devoted more of their attention to it tended to do so in both their parent role and their spouse role. This was true whether their businesses demanded little or a lot of attention from the entrepreneur.

This may be a reflection of the effects of socialization to the traditional cultural definition of women's role and identity. Alternatively, the results may indicate that women entrepreneurs are people who want it all. They value their traditional roles as mothers and spouses/partners, but they attach equal value to their new role as entrepreneurs. They insist on being multi-dimensional. This explanation is congruent with discussion in the focus groups.

Our results contradict the popular belief that a high level of personal and professional demands drains a person's resources. The women participating in this study have shown that high levels of professional and personal demands are compatible with high levels of satisfaction and competence. If demands are well managed and experienced positively, they often produce a high payoff in terms of satisfaction, competence, personal fulfilment, and feelings of self-worth.

Special Group Comparisons

This section compares several sub-groups of entrepreneurs taking part in the study: francophones/anglophones, members of racial minorities/non-minority groups, and rural/urban entrepreneurs. Each of the three major focuses of the study (nature of the business, management function and roles, and paid work and family) is discussed with reference to these three sub-groups.

Francophones/Anglophones

Forty-eight of the study sample respondents were francophones (25% of the total sample of 193). All lived in Quebec, with 69% in Montreal and 31% in Quebec City. Personal interviews were held with 55%, with the remainder interviewed by telephone.

Nature of the Business

Francophone women entrepreneurs tended to classify their businesses as being in the start-up phase more often than the anglophone entrepreneurs in our study. Indeed, the francophone business owners in our study had been in business for shorter periods and had established fewer previous companies. The anglophone owners had experienced greater growth and foresaw greater future growth, which they attributed to market conditions. The stage of development of the company may account for the fact that the francophone owner-managers tend to work longer hours than the anglophones we surveyed. They also may work longer hours because 65% of the francophone sub-sample worked in retail, compared to 52% of the total sample.

Sixty per cent of the francophone sub-sample owned their businesses, the same proportion found in the larger sample. Other similarities between the two samples included the number who had founded their businesses (60%), average age at start-up, and marital status. Thus there were more similarities than differences between the anglophone and francophone entrepreneurs we studied.

More of the francophone entrepreneurs said they had left their last jobs for better opportunities. The francophones who left for better job opportunities had larger personal compensation packages (incomes and benefits) from their new businesses than those who had left for family reasons. The profits of companies run by francophones with previous experience as managers tended to be higher than those of companies whose owners had no experience. No relationship was found between profit and previous work in the same field.

In starting their businesses, the francophone entrepreneurs tended to consult more with bankers and accountants than did their anglophone counterparts, who tended to use other business owners, business associations, trade magazines, and municipal governments. Francophone owner-managers rated the help received from these sources more helpful than the anglophones did. In addition, francophones perceived coaching by another entrepreneur, formal training, family support, and knowledge of the milieu as more helpful than did anglophones. They also used government agencies more often as a source of financing and tended to provide more documentation (business plans, cash flow projections, etc.) than the anglophones. As well, anglophones tended to use a greater percentage of their own savings to finance daily business operations, although francophones used savings as a source of new venture financing more so than anglophones. The anglophones also tended not to take a salary as a means of financing the business, more so than the francophones.

Anglophones were more likely than francophones to be members of community service organizations, business associations, chambers of commerce, and women's groups.

More anglophones than francophones considered the problems of women business owners different from those facing small businesses in general. (It should be noted that the anglophone sample contained some women from racial minorities, and the extent of interdependency between sex and race is unknown.)

In summary, the francophone woman entrepreneur is notable for her connections with bankers, lawyers, family, other entrepreneurs, and government agencies. Not only did the francophones use these sources of advice or assistance more than did anglophones, they also rated them more helpful. They did not tend to be club members, citing the long hours they already work. The francophone business owners tended to use professional services and family support rather than community resources, which necessitate greater personal time commitment.

Management Functions and Roles

Francophone and anglophone entrepreneurs evaluated how much time they spent on managerial functions and how competently they performed these functions.

Of the five functions (financial management and accounting, marketing and public relations, production and operations, office management and administration, and personnel and labour relations), significant differences were present in three. Anglophones reported spending **more** time in marketing and public relations and **less** time in production and operations, and personnel and labour relations. When the five measures were combined into a total score, anglophones spent significantly less time on all five management functions than did their francophone counterparts.

Interestingly, the anglophone entrepreneurs rated themselves more competent on three of the five management functions (financial management and accounting, marketing and public relations, office management and administration); they also scored higher on the overall score for self-rated competence.

There were three significant differences on the ten Mintzberg managerial roles. Anglophones performed the Liaison and Resource Allocator roles more frequently; francophones undertook the Monitor role more frequently. However, there were no differences on the three composite measures of the informational, interpersonal, and decisional roles, or on the measure that combined all ten Mintzberg roles.

In summary, the few managerial differences that were apparent between francophones and anglophones could be explained by differences in the stage of development of their businesses. Francophones tended to own younger companies. Being in business for fewer years, the francophones spent more time on all management functions and felt less competent in performing these jobs. They also spent more time monitoring their businesses. We would expect that over time these relative differences would disappear, leading to the conclusion that the stage of the business is more important in determining management style than language of the owner.

Paid Work and Family

There were no differences between the anglophone and francophone subsamples in terms of current marital status, marital status when their businesses were founded, or number of children. The anglophone sample, however, had significantly more formal education.

No differences were found regarding the most common aspects of role identity (entrepreneur/manager, parent, spouse/partner). Nor were there differences in self-reported satisfaction and competence in these three roles. Francophone entrepreneurs, however, rated their investment in these three roles as greater and their roles as more important to their self-identity.

Anglophones and francophones reported the same degree of conflict between their entrepreneur/parent and entrepreneur/spouse or partner roles.

Francophones reported more frequent use of all three coping responses (change expectations of others, change own expectations, react to all demands) and scored higher than anglophones on the overall score for coping strategies.

There were no differences in the women's perspectives on how their lives had changed as a result of becoming entrepreneurs, although more anglophones than francophones reported that being entrepreneurs had changed their lives.

Significant differences were found on three of the five measures of paid work/family integration. Significantly more anglophones than francophones felt that they could not separate their roles. Significantly more francophones than anglophones felt that their roles were complementary or were in conflict with each other.

We concluded that there were more similarities than differences between anglophone and francophone women entrepreneurs. Although language and culture might be assumed to be dominant factors influencing managerial styles, role perceptions, and coping strategies, the data could not support this assertion.

Members of Racial Minorities

Women entrepreneurs who are members of racial minorities are of special interest. They potentially face double discrimination because of their sex **and** their race. For this reason, we undertook analysis specific to this group.

The random sample of women business owners across Canada generated a total of 10 respondents who are members of racial minorities. This was inadequate for research purposes, so an additional 40 respondents were located, non-randomly, in the Toronto area. They were interviewed personally by a business professor who is herself a member of a racial minority. About one-quarter of these interviews were transcribed.

The responses of this sample of 40 were not included in the larger sample for several reasons, principally because the select sample was located in a non-random manner, unlike the larger sample. Other problems of interpretation and coding were encountered. For example, the interviewer, whose first language was not English, was interviewing respondents whose first language was, for the most part, neither English nor the interviewer's first language. Concepts such as "roles" and "Disturbance Handler" were difficult to define during a one-hour interview. An additional reason for not including these responses was the incompleteness of the data. Women accustomed to a different business culture were somewhat reluctant to give information to a stranger.

Nevertheless, we analysed the responses from this sub-sample with the aim of beginning to build a picture of the woman entrepreneur who is also a member of a racial minority.

All the women interviewed spoke English. In addition to the 40 interviewed in Toronto, the 10 women identified in the larger sample were distributed as follows: Toronto, 5; Montreal, 1; Winnipeg, 3; Vancouver, 1. Thirty-eight per cent of the women were Black, 30% were Asian, and 32% were classified as "other", a category made up mostly of women of mixed race. The following countries of origin were reported: Caribbean, 46%; Canada, 12%; Asia, 12%; India, 10%; South America, 8%; Africa, 6%; and other, 6%. The sample was heavily weighted toward Black women from the Caribbean.

Nature of the Business

The entrepreneurs in this sub-sample owned businesses in the service sector (56%), retail sector (32%), and wholesale and distribution (10%). One was in construction (2%). Those who owned businesses in the retail and service sectors came from different countries than those in the wholesale and distribution sector.

Most had founded their businesses (69%). The rest either bought (27%) or inherited them (4%). The majority were sole owners (64%), while the next most frequent type of ownership was with a husband (26%). This family form of ownership (sole or with spouse) differed significantly from the non-minority entrepreneurs in our sample, who tended to a greater degree to have business partners who were not family members. The racial minority women who were sole owners tended to be younger than those who were in partnership.

Nearly 60% had been in business less than five years and 90% less than ten years. Overall, the racial minority women in our sample had been in business for shorter periods and had started fewer businesses in their careers as entrepreneurs.

Sixty per cent had related experience before they started their current businesses, and a similar number had experience as managers before starting. More than half had community college or more by way of formal education. About half the sample indicated that their previous occupations were as professionals or managers. The group thus appeared to be fairly well educated and experienced before starting a business. In comparison to women entrepreneurs in the larger sample, they also tended to consult more frequently with business associations and to be members of chambers of commerce.

At start-up, the typical investment was $10,000. (The banks required entrepreneurs without previous experience to supply higher amounts of start-up capital.) More so than the women in the larger sample, the women in the racial minority sample tended to use their own and their husbands' savings as sources of financing.

One-fifth of their businesses had no employees; another two-thirds had between one and five employees. Only three of the group of 50 employed more than 21 employees. Thus the businesses in the racial minority group had significantly fewer employees than was the case in the overall sample.

Salaries were low: nearly 50% of the women took no salary, and almost all the rest had personal compensation packages of less than $30,000. The low salaries may be a function of the number of hours worked in the business, with about one-quarter working less than twenty hours per week. (This may in turn be related to the fact that the women in this group had significantly more children than the women in the larger sample.) They also tended to have more of their children over age 16 working in the business. Although about half worked 50 hours per week or more, women in this sub-sample worked significantly fewer hours per week than those in the larger sample.

A more likely explanation for the lower salaries and profits might be that the racial minority entrepreneurs were more likely to be in the service and retail sectors. Profits in this sector tend to be low, as witnessed by the fact that the women with wholesale and distribution businesses had higher sales and profits than those in retail and service. Whatever the reason, these women made significantly less than their non-minority counterparts.

The entrepreneurs in the sub-sample operated their businesses with numerous family connections. Their business partners tended to be their husbands, they had more of their own children working in the business, and they were more likely to use their family savings to start the business. They also saw their role as a wife or partner as one of the top three roles, more so than the entrepreneurs in the overall sample.

When asked about discrimination because of their sex, 54% felt that this had occurred. A similar question was asked about racial discrimination; 64% of respondents felt that this had happened. Most felt that it was unprovable; for example, bankers refusing loan applications or employees not wishing to work for them. In these situations, it may be difficult to determine whether the motivation was racial. For example, one woman felt that suppliers were selling to her competitors more cheaply, but she could not prove it.

However, in other cases, discrimination was more overt:

> A customer came in here one day, and she said to me, "Do you own this place?" I said "yes", and she said "Well, I'll never buy in here".

Others contended that they tried to avoid this type of discrimination by deliberately working in "ethnic" locations and types of businesses.

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Management Functions and Roles

Significant differences were found in the time spent on four of the five managerial functions. The entrepreneurs in the racial minority sample spent significantly **less** time on financial management and accounting, marketing and public relations, and personnel and labour relations, but significantly **more** time on production and operations. They also spent significantly less time on the five functions forming the total score. This is obviously related to the fact that they worked fewer hours per week, had lower sales, and had fewer employees. In other words, these women were the operating arm of the business, because, with few employees and limited revenues, there was no need for management as traditionally defined. No differences were found between the two groups in self-reported competence in the five managerial functions.

There were significant group differences on three of the ten Mintzberg managerial roles. Women in the smaller sample tended to spend **more** time on the Figurehead and Spokesperson roles and **less** time on the Disturbance Handler role. When the composite measures were considered, no differences were present on the interpersonal and informational roles or on the combined measure (which also included the decisional roles). However, entrepreneurs in the racial minority group tended to spend less time on the decisional roles. These differences likely result from the size of their ventures; as Figurehead and Spokesperson, these women were the business, representing it to the public.

Paid Work and Family

Analysis of the family situation of racial minority business owners underlined the frequent use of the family network in these businesses. More of the women in this sub-sample had mothers who owned businesses than did non-minority women. The role of spouse was very important to them, more so than the majority of the women in the larger sample. They did not attempt to change others as a coping response to the same extent that the majority did.

In summary, what emerged from this sub-sample was a clear sense of a support network for minority entrepreneurship. The women owned, financed, and worked in their businesses as part of a family in which the role of wife was very important. With more children, they worked fewer hours and had the children helping them at work. The result may have been lower salaries and profits.

The lower economic returns may also have been the result of discrimination or attempts to avoid discrimination by opening "ethnic" businesses. The women thus remained part of a larger ethnic community in terms of their choice of business and their memberships in groups such as chambers of commerce.

Rural/Urban

Twenty women entrepreneurs whose businesses were located in rural areas in Ontario were contacted by telephone to determine whether their situation differed from that of their urban colleagues. Descriptive information on this sub-sample is not included in this report, but differences between the rural and urban samples are discussed.

Nature of the Business

Rural business owners tended to classify their businesses as stable, as opposed to the "growing" label applied more frequently by city entrepreneurs. They tended to use more of their own savings to fund their businesses in the beginning, whereas city entrepreneurs used financial help from a spouse, government agencies, or suppliers to help start their businesses.

There also appeared to be differences in how the two groups financed the daily operations of their companies. City entrepreneurs, who made more money (personal compensation), tended to use more of their savings to finance daily operations. The city women also turned to suppliers for financing more often. However, rural business owners rated themselves as more competent in financial management and accounting. Rural entrepreneurs who felt competent in office management and administration had greater sales, profits, and personal compensation than those who did not feel competent. Perceptions of competence notwithstanding, there was no evidence of differences in profits, expenses, or sales between urban and rural entrepreneurs.

Rural entrepreneurs reported facing more discrimination in their business life as women owner-managers than did city entrepreneurs. (The nature of this discrimination is unknown, because interviews were conducted by telephone and not transcribed.) This finding was reinforced by the fact that city entrepreneurs felt there were more advantages in being a woman business-owner than did rural entrepreneurs. Many entrepreneurs, both men and women, report discrimination by bankers, and this may be related to factors other than sex, such as inexperience or poorly prepared plans. Indeed, in our sample, the rural entrepreneurs who reported more discrimination also indicated relatively less experience in a related field before founding their current businesses. This may also have led them to participate in chambers of commerce and similar organizations more often than their city counterparts.

In summary, there appeared to be differences between city and rural entrepreneurs. In particular, rural entrepreneurs tended to have started their businesses with relatively less experience in a related field and more often used their own savings to do so.

Managerial Functions and Roles

Only one significant difference was apparent with regard to the time spent on the five managerial functions; urban women entrepreneurs spent significantly more time on marketing and public relations, and when the managerial functions were combined, urban entrepreneurs spent significantly more time on all five.

Significant differences were present on five of the ten Mintzberg managerial roles. Urban entrepreneurs were more active than their rural counterparts in the Monitor, Disseminator, Spokesperson, Resource Allocator, and Negotiator roles. Urban entrepreneurs undertook more of the interpersonal, informational, and decisional roles and scored significantly higher on the total score (based on the ten managerial roles).

Thus it appears that rural entrepreneurs spend less time on managerial functions and roles than their urban counterparts, even though they work the same number of hours per week. This may be because rural businesses had lower sales in previous years and were not of the size requiring significant amounts of managerial effort.

Paid Work and Family

There were no group differences in marital status, age when business founded, marital status when business founded, and current number of children. However, significantly fewer rural women had children when they started their businesses.

Women in both groups reported similar levels of conflict between the entrepreneur and spouse/partner roles. Rural entrepreneurs reported significantly less conflict between entrepreneur and parent roles. More urban entrepreneurs than rural business owners reported that becoming an entrepreneur had changed their lives.

Only one of the five ways of viewing the relationship between work and family revealed a significant difference. More rural entrepreneurs reported that their roles were in conflict.

Urban women entrepreneurs made greater use of all three coping responses (changing others' expectations, changing own expectations, reacting to all demands) than did rural entrepreneurs.

Although the findings reported attained statistical significance, as a whole, the major impression formed was that there were few differences between rural women entrepreneurs and their urban counterparts.

Conclusion

One of the most rewarding tasks of the research is finding differences between groups and speculating about their origins. In this case, the analyses uncovered no differences that could not be rationalized by looking at the stage of the business.

While these group differences (francophone/anglophone; racial minority/non-minority; urban/rural) sometimes reached statistical significance, more often than not they could be explained by the nature of businesses owned by women in these groups and their stage of business development.

We have already shown that women entrepreneurs in start-up or fragile firms undertake more managerial functions, use more coping responses, and report greater investments of time in their roles. The francophone and urban respondents in our sample were more likely to own these newer businesses.

We undertook preliminary analysis attempting to match our anglophone/francophone and urban/rural samples on the basis of these business conditions. Although the samples were necessarily smaller, the differences on many of the variables discussed earlier in this section disappeared. Then there appeared to be few differences, if any, between the anglophone/francophone and urban/rural samples.

The analysis of the sample of racial minority women did demonstrate differences. There was a strong element of family and community in the way these women ran their businesses. However, these results must be viewed with caution because the sample was not random.

The most significant finding in these comparisons may be that we discovered no significant differences on most of the variables for the language and location groups.

Summary and Conclusions: Obstacles Unique to Women Entrepreneurs

As we interviewed women entrepreneurs in industrial malls and crowded retail centres, the image of a woman alone in a glass box emerged. Isolated by her unusual occupation as an entrepreneur, by her sole ownership of the business, by her immigrant status, by her limited networks of colleagues and business friends, and particularly by the long hours required by business and household demands, the woman entrepreneur is surrounded by opportunities to which she cannot gain access. Thus, in addition to the difficulties facing all entrepreneurs in starting and making a success of a new business venture, a woman entrepreneur faces conditions that appear to be attributable almost completely to the fact that she is a woman in a non-traditional occupation. These factors co-exist with the challenges, personal satisfaction, and independence experienced by women entrepreneurs. This is the situation we have described as the glass box of female entrepreneurship. Surrounded by opportunities but hemmed in by circumstances, the woman entrepreneur sees her ability to realize business and personal success limited by a number of obstacles.

Eight Obstacles Unique to Women

Let us explain in more detail some of the obstacles that prevent women entrepreneurs from breaking through the walls of the glass box. In addition to the difficulties faced by all entrepreneurs, women encounter hurdles that most men do not. We have identified eight.

Discrimination

Many have applauded the surge of entrepreneurship among women. Here at last, they reason, women will no longer face discriminatory treatment from male bosses and the male power structure found in large organizations. If women could shatter the glass ceiling, the sky would really be the limit.

On the contrary, our study shows that the women entrepreneurs have traded the glass ceiling for the glass box. They are walled in by differential treatment on all sides: creditors, suppliers, customers, and even employees.

Discrimination was reported by slightly more than half the entrepreneurs with whom we talked. Creditors in particular seem to be using irrelevant criteria such as marital status and age (linked to childbearing potential) to assess loan applications. Being married and having children contributes to the perception of stability in male applicants, but these same factors are taken to suggest unreliability in women applicants.

More subtle forms of differential treatment occur when women discover they are invisible to customers, suppliers, and creditors, many of whom assume that any man present in the business is the boss. Starting and running a business is difficult enough without having to shoulder the additional pressure of establishing credibility and power.

Clustering in Business Sectors With Low Financial Payoff

Women's businesses are clustered in the retail and service sectors, notorious for their long hours, high personal demands, and low financial returns. As in the work force generally, where women are clustered in jobs such as office work and nursing, the effect of ghettoizing is to lower the financial return to the business owner. Women probably choose to work in these fields because of previous job experience, and their choices are reinforced by the reactions of creditors and suppliers.

Limited Relevant Work Experience, and Management Training and Experience

The alternative to a venture in low-paying sectors is a move into a business where the entrepreneur has no experience. Many of the women in this study did choose a better chance for profit over a field in which they were comfortable. In our survey, 40% had no previous experience in the business in which they started.

But women start these ventures with a relative handicap in terms of management education and operational experience. Not one woman in our sample of nearly 200 had been formally trained or educated in business. More than half had no management experience.

Most of the entrepreneurs we studied performed all the management functions (half did not employ specialized managers). The learning curve must be incredibly steep for someone who has to learn entrepreneurial skills, management skills, and operational skills **all at the same time**.

Shortage of Peer Support Networks and Limited Time and Money to Develop and Maintain Them

If know-how is one means to profit and grow, then know-who is a close second. But the isolation of the women entrepreneurs was apparent; many appeared quarantined in their small offices where the interviews took place. This theme of solitude permeated the results.

There is no old girls' network to support, encourage, and advise neophyte women entrepreneurs. Fewer than half the respondents belonged to business associations, and only 14% belonged to a women's business association. Even when such organizations exist, women may not join them if they are overloaded with business and family responsibilities, as is often the case.

The influence of role models in the decision to become an entrepreneur has been widely reported. Mentoring from an entrepreneurial father is less likely for female entrepreneurs than for males, however, because fewer have fathers who are business owners. Furthermore, other studies, discussed in the "Paid Work and Family Responsibilities" section, show that men develop their sons to be their successors, furthering the perception that women are not suited to business leadership.

With no business network and limited exposure to the entrepreneurial world, the isolation of the women in our sample was compounded by the fact that about one-third were immigrants. Further isolated by language and cultural differences, these women lacked the friendships and associations that long-term residents establish. Ownership format chosen by women entrepreneurs was another factor increasing isolation. Sixty per cent were sole owners of their businesses, a form of ownership that requires the entrepreneur to develop **all** the skills needed to run the business, with no opportunity to share the workload and the problems.

The lack of time for friends is one of the more debilitating results of the demands of running a small business. The isolation of the entrepreneur is magnified by the need to maintain business-like relations with employees and customers. Reluctant to turn to people at her place of work, and with no time for external support networks, the female entrepreneur works, for the most part, in a glass box.

This isolation limits her ability to tap sources of peer financing and informal advice and the information networks needed for survival and growth.

Finite Time and Money to Find and Attend Training Courses

Women need to acquire management skills, yet their isolation from potential mentors and support systems limits their ability to do so. Formal training in business might be appropriate for women business owners who are unable to acquire these skills informally. However, their isolation from sources of information compounds the problem of insufficient time to investigate the availability and relevance of courses.

The nature of their businesses also prevents women from receiving the information and training that might make them better entrepreneurs and managers. Most operate businesses so small that a replacement would have to be hired even for a few days' participation in training; but the women do not have the money to hire these replacements. Night courses are impossible for most because of their family responsibilities and the long hours associated with the retail and service sectors.

Conflicting Demands of Managing a Business, a Home, and Children

Breaking new ground in the business world has not been accompanied by radical change in the domestic world. The double shift is standard for the female entrepreneur, as it is for most women working outside the home.

Women in the paid work force understand fully the meaning of role overload. Women entrepreneurs work long hours; they also have primary responsibility for maintaining a household, caring for the children, and managing family relationships.

Nearly half the women in our sample were married with children at home. Unlike men entrepreneurs, most women assumed complete responsibility for home and children. Only 10% hired household help, a reflection of either a lack of financial resources or reluctance to delegate any part of an important role. They therefore try to respond to all demands in every domain of their lives, using every coping strategy they can think of.

A facile conclusion would be that women who juggle the roles of entrepreneur, wife, and mother are overwhelmed and fragmented by these demands. Our survey identified changes in sleeping and eating habits and guilt about short-changing their families and their companies as two of the negative consequences of role overload. However, the women in our study who reported high personal and professional demands also experienced great satisfaction and feelings of competence; the demands produced a high payoff in terms of personal fulfilment and self-worth. These respondents do not complain; they are doers whose style is to tackle problems, not dwell on them.

No Operational Support from Husbands

Most business owners invest substantial time and energy in the business. Men who become successful entrepreneurs are assumed to be good husbands and fathers (read providers). Women business owners, however, are judged by a different standard.

While some of our respondents claimed that they received emotional support from their husbands, few were able to rely on their husbands for anything but token help. This contrasts starkly with most businesses run by men, where the wife is the (often unpaid) book-keeper, secretary, or office manager. The help given by the husbands tends to be one-shot (such as helping with an office move), but nothing close to the continuing responsibility taken on by many wives of male small business owners.

Insufficient Financial Return

Women entrepreneurs do not receive a sufficient financial return to compensate for the long hours and the demands of owning a small business. About one-third of the women surveyed reported taking no salary. Eighty per cent made less than $50,000 annually.

The major limitation of this study was the lack of a matched sample of male entrepreneurs, but other surveys, discussed in "The Financial Picture" section, have demonstrated that women entrepreneurs make less than male entrepreneurs. It appears that, on average, women small business owners make more than women employees, but about one-third less than male small business owners.

The factors just discussed could explain this wage discrepancy. Our study revealed another possibility: women with husbands reported taking significantly less compensation than those who were single. One advantage of traditional socialization patterns may be that women entrepreneurs feel comfortable being supported financially by their mates while building their businesses. However, this external financing, which is unrelated to objective measures of venture profitability, may indeed be used as a crutch where none is needed.

Conclusion

The job of the entrepreneur is usually thought of as highly demanding, requiring a variety of talents and substantial time and energy. The women entrepreneurs in our study did not contradict this image. Most combine the long hours and taxing obligations of business ownership with heavy family responsibilities.

Many of the women in the sample went into business with high expectations about the potential of self-employment to combine challenge and independence with the flexibility needed to care for a family and manage a household. Their experience has been that wanting it all results not in **getting** it all, but in **doing** it all. Although some have broken new ground in the business world, thus far they have not renegotiated the traditional division of family and household tasks. They cope by trying to react to all demands in their business and personal lives.

For women business owners, the challenges facing all entrepreneurs are compounded by isolation — isolation generated by their position as outsiders in the world of business, by the heavy demands of their personal and professional lives, and sometimes by their status as women or members of racial minorities.

Working in the glass box of her business, the female entrepreneur is often surrounded by opportunities to which she cannot gain access. Whether this isolation is self-imposed or inherent in the business environment, breaking out of the glass box remains a central challenge for women business owners who want to see their ventures grow and prosper.

Yet the women entrepreneurs in our study report that they lead highly satisfying lives, despite the isolation, despite conflicting demands, and despite their double workload of business and family responsibilities. They believe that business ownership has benefited their relationships with spouses/partners and children, and they report pride in their accomplishments and greater feelings of competence and self-confidence.

If steps were taken to help women entrepreneurs break through the glass box of isolation, these personal benefits might well translate into economic and social benefits. Targeted programs and services, designed with the unique needs of female entrepreneurs in mind, could contribute to meeting this goal. Examples of such programs are discussed in the next section. With this modest measure of support, more women business owners would be able to escape the solitude of doing it all, alone.

Authors' Proposals for Change and Future Research

The strength of our proposals is curtailed by several factors. One is the lack of a matched sample. Some of our findings are highlighted by comparisons with large studies of male entrepreneurs. We are aware of the weaknesses inherent in this approach and have strived to use only comparative studies that themselves used matched samples of men and women business owners. In most cases, however, the facts (for example, 40% of women start businesses in areas in which they have no related experience and about one-third take no salary) are so astonishing from a business perspective that men's experience is irrelevant.

When differences are discussed, the easy assessment is that women are weaker entrepreneurs. We argue instead that women-operated businesses may be suffering from time lags. Indeed, our analyses of sub-groups such as rural and urban entrepreneurs showed that most of the differences discovered could be explained by the stage of business development. In time, these differences may disappear.

A marketing approach would treat the differences as business opportunities. Women entrepreneurs constitute a market segment that represents possibilities for new businesses in networking and training. (Both of these approaches assume that the male model is better and should be emulated. An alternative theory might be that women operate businesses differently because their concepts of success or life values are distinctive. Nothing in the literature or in participants' remarks supports this theory. Longitudinal studies of matched samples would be needed to confirm this.)

Regardless of the nature and source of these differences, our proposals are intended to ease women's experiences of entrepreneurship, not to make them more like men but to enable them to develop more skills and confidence in managing a new venture and to reduce the potential for discriminatory treatment.

Our proposals are circumscribed by two suppositions. Some of the problems uncovered are the difficulties faced by most women working outside the home. Changes in the world of women in the paid work force would undoubtedly benefit women entrepreneurs, but they are beyond the scope of this paper. Furthermore, we cannot in good conscience suggest programs that would require more work on the part of women in business. We are also aware of the strong sense of independence among entrepreneurs and their resistance to solutions based on government intervention.

Even given these limitations, however, we believe that the particular burdens on barriers to women entrepreneurs could be eased by the following suggestions.

An Information Clearinghouse

Courses in entrepreneurship and management are widely available through community colleges, universities, private companies, cable television, and all levels of government. (The participants in this study said that they were willing to take courses that were of short duration, with enrolment limited to small groups of people like themselves, taught by experienced entrepreneurs with a practical orientation.) Similarly, many governments and university business schools offer programs and services in support of entrepreneurship and new business ventures.

A registry of courses, programs, and services for entrepreneurs would make them more accessible. A widely publicized telephone line for entrepreneurs would make access to courses easier for all entrepreneurs (for example, 1-800-BUSIWOM).

The information clearinghouse function could be easily incorporated into the responsibilities of the recently established National Entrepreneurship Development Institute (NEDI). Part of NEDI's mandate is to undertake, fund, and disseminate information and research and to promote entrepreneurship education.

Financial Incentives and Appropriate Training

Business-related training and hiring replacement workers are legitimate business expenses and necessary to build and sustain a healthy business. Many small business owners do not have the revenues to support such costs, however, and their limited exposure to management techniques may result in a Catch-22: they may never be able to build the business to the point where it generates enough revenues to allow owners to take advantage of training and professional development opportunities.

We propose an incentive of 50% of the cost of attending courses and hiring replacements, to be paid by provincial and territorial governments (who have the responsibility for education). This program should be targeted to women entrepreneurs in the first three years of business. Courses receiving high priority for funding should include preparing business plans and loan applications, finance, accounting, and management skills such as planning and delegating.

Training and experiential education represent opportunities for women entrepreneurs to break through some of the barriers that keep them isolated. But they must be designed specifically for use by women business owners if they are to break out of the glass box. This means building in accessibility and addressing relevant issues.

For courses to be useful, they have to be of short duration, oriented to practical matters, and small enough to allow interaction among participants. The more successful women entrepreneurs also made it clear that they wanted such courses and seminars to include both men and women as participants. Others who have worked extensively with women business owners in Canada have argued for sex-segregated education.[83] They contend that sexism or discriminatory behaviour occurs when courses include participants of both sexes. For example, topics relevant to women (such as balancing paid work and family life) may be ignored, and a disproportionate amount of time and attention may be given to male students. Observers have also noticed that male students' answers are rewarded more often, women students are interrupted more frequently, and sexist humour is used. The option of sex-segregated education could be available for those who feel they would benefit.

Hundreds of courses are available to teach every aspect of entrepreneurship.[84] The problems of locating the relevant one, finding time and money to attend, and hiring replacement workers have to be solved.

Several studies have indicated that business failure is attributable in large part to "lack of managerial experience".[85] A system for acquiring experiential knowledge has yet to be developed. The entrepreneurs in our focus group used such learning environments as the home, the voluntary sector, previous employment, and networking. Other formats include apprenticeship programs, work/study programs, and entry to corporate boards.

Networks or associations for entrepreneurs and small business owners would be another useful form of support to women entrepreneurs. Ideally these would involve people from a limited geographic area — the same community would be ideal. Such organizations could provide more visible role models and mentors for younger women entrepreneurs. Nelson found that female entrepreneurs reported networking and significant others (family and close friends) were the most useful information sources, were those most commonly used, and were available at very low cost.[86] He included significant others because Watkins and Watkins found that close family members had a strong influence on female entrepreneurs.[87] Similarly, Franklin and Goodwin and Stoner found that small business owners tended to use and consider most important those sources of assistance that were convenient.[88]

It also appears that making a special effort to target training to women entrepreneurs whose businesses are in the start-up or still fragile stages would reap the biggest dividends. As one might expect, these individuals rated themselves less competent in the various management functions and also spent more time performing these functions.

Our data (Table 13) suggest that our sample of women entrepreneurs felt most competent in production/operations and least competent in marketing, finance, and accounting. One obvious proposal would be to offer specific seminars in these areas. The data on self-reported competence in the area of personnel and labour relations should perhaps be treated with caution. Our respondents rated their competence in this area as second highest among the five management functions. We believe, however, that people are not likely to be accurate observers or judges of their skills in what might be termed the soft or subjective areas. Many in our focus groups, particularly the more articulate business owners, were critical of their own management skills.

Although critical to business success, goal setting and short- and long-range planning presented difficulties for our sample. These essential business skills can be learned in courses and further developed through practical experience. Few of the women had business plans when they started out, yet it is hard to see these firms remaining successful or even surviving in the continued absence of such planning.

Entrepreneurs need access to a variety of seminars on both general and specific topics. General topics include finance, cash flow management, marketing, preparation of business plans and loan applications, and general management and business organization. Specific seminars could address topics of special interest, such as developing a business plan for a new retail store and marketing professional services (ideas suggested by women in our focus groups). Change in women's own attitudes and goals, including a willingness to learn about financial management, are also required in many cases. Marchis-Mouren provide an overview of training needs and how they are met in a variety of countries.[89]

Getting Advice and Acquiring Expertise

Hotline

Women business owners are isolated from the business, friendship, and family networks that are crucial sources of advice and support. Women might be able to short-circuit the old boys' network by having access to a business advice hotline staffed by experienced women entrepreneurs. The hotline could be modelled after the services offered by the American Women's Economic Development Corporation (AWED). AWED provides telephone counselling of 10 minutes and 90 minutes duration. The 90-minute service is also available on a face-to-face basis.

Access should be easy (1-800-NETWORK) and be on a cost-recovery basis. The hotline could be run from the same location as the information clearinghouse.

Networking

Another approach to acquiring entrepreneurial expertise is through close associations with experienced practitioners. As we have seen, women do not belong to business associations, whether because of time constraints or misperceptions about the usefulness of these associations. Initially, the National Entrepreneurship Development Institute could promote the value of association membership and appointments to boards of directors through a national advertising campaign targeted to women business owners. A related campaign could encourage associations and businesses looking for directors to consider women entrepreneurs.

Non-traditional forms of association may have to be created. One network model is the *Groupement québécois d'entreprises* where entrepreneurs form small groups of companies not in competition with each other. Group members choose each other (trust is important) and meet regularly to discuss concerns.

Financial Institutions

Chartered banks and other financial institutions should include an assessment of their treatment of women business owners as part of an equal opportunity review. It is false to assume that women can escape discrimination by becoming business owners.

Although human rights law exists to protect individuals who can prove that discrimination has occurred, it may be difficult for the isolated women entrepreneur, who has no one with whom to compare notes on treatment by lenders, to prove a case of discrimination.

If a financial institution's lending criteria are vague, the potential exists for systemic discrimination through arbitrary or subjective application of the criteria. For example, women may receive differential treatment because they have characteristics shared by most women entrepreneurs (such as being in the retail sector or lacking management experience). To eliminate systemic discrimination, financial institutions could include treatment of women business owners as part of the equal opportunity review process required of all federally chartered employers. This process of documentation and remedial action is well understood by large employers, who also have the personnel resources to complete the work.

Subsidized Courses

Not having equivalent access to capital restricts the ability of women entrepreneurs to generate profits. In addition to pure discrimination, our survey uncovered another possible reason for discrimination by lenders. New entrepreneurs did not prepare adequately before seeking financing. Notably lacking were feasibility studies, financial projections, and business plans.

Women may not be preparing adequately because they do not understand the role of credit. Proud of having no debt and substituting long hours (sweat equity) for lack of capital, they may fail to understand the necessity, value, and benefits of borrowing and the limitations of sweat equity. By not borrowing, women entrepreneurs may be restricting themselves to retail and service businesses and to small businesses.

A few banks in Canada and the United States offering seminars in business financing have recognized the high viability of businesses owned by women. Banks represent only one source of funding, a source that women already use almost exclusively. Other avenues to finance a new venture could be revealed in subsidized seminars, along with training in the preparation of loan applications, financial statements, etc. The financing of such courses, which already exist, could be the responsibility of the Entrepreneurship and Small Business Office of the Department of Industry, Science and Technology.

Of the eight obstacles listed in the sixth section, we have suggested solutions to only four: discrimination, limited management training and experience, weak access to training courses, and lack of a network. Our proposals in these four areas should contribute in turn to increasing the financial return to women business owners, a fifth problem outlined in the "Summary and Conclusions" section of the paper.

The remaining three problems (the clustering of women-owned businesses, overload from work and family responsibilities, and the lack of support from spouses) are the problems of all women in the paid labour force. They defy facile solutions and may be remedied only in the long run through prolonged social changes that would benefit all women working outside the home.

Future Research Questions

The authors have been talking with and studying women entrepreneurs for a combined total of about 15 years. Yet many questions remain unanswered and require further research as a basis for discussion and policy making, among them the following issues.

Businesses owned by women appear to start small and stay small. The reasons for this pattern may be a simple time lag, systemic discrimination, a poor understanding of the use of credit, or even differences in values or in perceptions about the nature of business and personal success. A longitudinal study of a matched sample of new venture owners would be an important beginning in explaining this pattern.

Women are often thought to be more nurturing, sensitive managers, although the objective research disputes this stereotyped perception. When women control the human resources policies of their own companies, do they in fact manage differently? Are they more sensitive to the needs of their female employees? For example, do businesses owned by women offer better parental leave, more flexible hours, more innovative personnel practices? Or are these a function of profitability or type of business rather than the sex of the owner?

We have advocated training for women entrepreneurs on the assumption that training will contribute to business success. This assumption for both men and women entrepreneurs should be tested. Does formal training lead to business growth and profits? In acquiring management expertise, which format is most effective: formal classroom training, round-table sessions with experienced entrepreneurs, televised or pre-packaged self-help programs, hotlines for individual problems, or other approaches yet to be devised?

Data on the extent and nature of home-based businesses in Canada are in short supply. Do women owners of these businesses achieve greater benefits from self-employment? Or do they face problems similar to those identified in our sample?

What is the situation of members of racial minorities and other sub-groups of women entrepreneurs? Are the policy and program approaches proposed here appropriate to their needs?

Why do women seek self-employment in the first place? Is there a difference in motivation between women who start small businesses with the intention of becoming medium-size or large businesses (the traditional definition of "entrepreneur") and women who start businesses with the intention of remaining small? Is entrepreneurship or business ownership just like any other job, that is, a way to earn a living, or is it a response to economic and/or social conditions — a way, for example, to gain the flexibility needed to combine income-generating activities with childrearing?

If socio-economic conditions or the employment policies of corporations and other large organizations were any different, what would these women be doing? Still business owners? Another form of employment? Staying home with their children? What are the implications of this for social, economic, labour market, and employment policies?

From a public policy perspective, are the needs and concerns of women business owners/entrepreneurs substantially different from those of women in the paid labour force generally? Are there reasons to concentrate public resources in programs for women entrepreneurs/business owners? Or would more general social policies (such as child care) and employment policies (training, employment equity, flexible working conditions) designated to benefit all women have more effect? In other words, how do the concerns of women business owners fit into the overall picture of social and economic issues of concern to women?

What are the implications of the boom in women's business ownership for such issues as pensions, benefits, job security, part-time work, and other questions of traditional concern to women working in the small business sector?

These are some of the questions that need to be explored. The information resulting from these investigations will help women entrepreneurs and others to devise strategies for success.

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79. That score is the sum of the scores for each of the five statements. A positive image corresponds to scores above the median; a negative image is a score below the median.

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87. Watkins and Watkins, "The Female Entrepreneur", *supra*, note 31.

88. S.G. Franklin and J.S. Goodwin, "Problems of Small Business and Sources of Assistance: A Survey", *Journal of Small Business Management* (April 1983), pp. 5-12; Stoner, "Planning in Small Manufacturing Firms", *supra*, note 48.

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Appendix: Methodology

Research Design

For this study, 193 female business owners were located randomly and interviewed. An additional 40 female owners who were also members of racial minorities were identified non-randomly and interviewed. Six focus groups were held to solicit the opinions of about 50 female entrepreneurs on a variety of issues.

Interview respondents were stratified by language, region, and stage of business. The language groups were French and English; the regions were Toronto, Montreal, Vancouver, Edmonton, Winnipeg, Quebec City, Halifax, and rural. The stages of business were:

☐ new: less than three years in business;
☐ growth: defined as a 30% increase in revenues over the past two years;
☐ mature: growth in revenues at approximately the rate of inflation, i.e., less than 10%.

All respondents had to possess majority control of their enterprises and be operating presidents.

After screening for these criteria, respondents were interviewed using a semi-structured questionnaire which covered the three major focuses of the study: financial information, managerial assessment, and role issues.

Fifty per cent of the urban interviews were conducted in person, the remainder by telephone. The non-urban business owners were interviewed by telephone. Interviews lasted approximately 40 minutes if conducted by telephone, 60 minutes if conducted in person.

Measures

Information along four dimensions was obtained by means of a questionnaire designed by the investigators. This questionnaire was pre-tested to reduce the possibility of difficulties in conducting the interviews. The questionnaire was prepared in English, translated by a professional translation firm, and verified by the French-speaking member of the team.

Demographic

Questions in this section dealt with objective and easily quantifiable information such as age, marital status, nature of the business, etc. The type of questions to be asked stemmed from previous research in the area (see the "Managerial Roles and Functions" section) which suggested fruitful avenues of exploration and the three objectives of the study.

Financial

A large portion of the questionnaire solicited information on the financial picture when the business was started, daily operations, and plans for growth. Items in this section were developed on the basis of other studies of financial considerations and the major financial objective of this survey.

Where possible, responses were coded in pre-arranged categories. Responses that were not capable of being categorized were recorded and transcribed.

Managerial Functions

After an extensive survey of the literature on managerial functions, we identified five managerial functions that we believed entrepreneurs should undertake and that covered the complete range of managerial activities. These functions were: financial management and accounting; marketing and public relations; production and operations; office management and administration; and personnel and labour relations.

We were interested in two preliminary questions. The first involved the amount of time female entrepreneurs spent on the five functions; the second involved their assessments of their competence in performing these functions. Answers to the first question would address issues of enterprise growth and stage of business development. Answers to the second would shed light on training and development needs, as well as the success of the enterprise.

Time spent

Respondents were asked to indicate how much of their working time they spent on each of five managerial functions (financial management and accounting, marketing and public relations, production and operations, office management and administration, personnel and labour relations). They responded using a five-point scale: 0%, 1-25%, 26-50%, 51-75%, and 76-100%.

Competence

Respondents indicated how competent they felt in each of the five managerial functions on a five-point scale: not very competent, somewhat competent, competent, very competent, and extremely competent.

Managerial roles

Respondents were asked how often they undertook activities in each of the ten Mintzberg roles. A five-point scale was available: rarely, once a month, once a week, once a day, and several times a day.

Identity and Major Roles

Female entrepreneurs were asked to rank order up to three roles (from a list of ten) that they believed to be very important to them in terms of who they were as individuals. The list included entrepreneur, manager, spouse/partner, parent, grandparent, sister, friend, neighbour, daughter, and member of the community.

Demands, importance, satisfaction, and competence in major roles

Respondents indicated for each of the major roles identified how demanding (amount of time, effort, and emotional investment), important, personally satisfying, and competent they felt in them. This was done on a five-point (demanding) and a four-point (importance, satisfaction, competence) scale.

Role conflict

Conflict between the entrepreneur-spouse/partner, and entrepreneur-parent roles was examined by single-item questions. Respondents indicated whether each role benefited or had significantly negative impacts on the other.

Impact on relationships

Respondents indicated (yes/no) whether being an entrepreneur changed their relationship with their friends, their spouse/partner, their children, themselves, and their lives.

Role integration

Respondents were presented with five potential ways in which their major roles could be experienced and asked to indicate the extent to which each applied to their own situation. These were:

☐ I keep my roles as separate as possible from each other;
☐ My roles complement each other;
☐ My roles are in conflict with each other;
☐ Success in one role compensates for disappointments in another; and
☐ I can't separate my roles.

Responses were made on a five-point scale: strongly agree, agree, neither agree nor disagree, disagree, strongly disagree.

Coping responses

Hall (1972) suggested a theoretical framework for understanding women's responses to role conflict. This study used his framework to assess three types of coping responses, each having multiple items. These three coping responses were: changing the expectations or demands of others or one's environment; changing one's own expectations or standards; and attempting to meet or react to all expectations and demands. Respondents indicated how frequently they used a particular coping behaviour (for example, establish priorities among your different roles so that you are sure the most important activities are done) on a five-point scale: never, rarely, sometimes, often, and nearly all the time.

Sample

A random sample of entrepreneurs was selected from Dun and Bradstreet's list of female chief executive officers and presidents for June 1988 to August 1988. One limitation of this sample was that only respondents who have applied for credit would be on the Dunn and Bradstreet list. This probably had the effect of over-sampling larger businesses.

Sampling proved difficult and expensive, because before the interview could begin, respondents had to be screened to ensure that they were in fact women (some had androgynous names), as well as accuracy of position, ownership, and stage of business.

The survey of female entrepreneurs across Canada ensured representation by language, region, and stage of business. The final number of interviews conducted was 193. Twenty-five per cent of the respondents were French-speaking; 75% were English-speaking.

The following tables indicate the sample breakdown by region (Table 26) and stage of business (Table 27).

Table 26: Location of Respondents

Location	Frequency	Percentage of Sample		Percentage of Canada
Toronto	52	27	Ontario	33
Montreal	48	25	Quebec	25
Quebec City	15	8	Maritimes	9
Halifax	7	4	Manitoba	4
Winnipeg	15	8	Alberta	11
Edmonton	15	8	British Columbia	13
Vancouver	20	10		
Rural	20	10		

Table 27: Business Stage of Respondents

Business Stage	Frequency	Percentage
New	65	33.7
Growth	55	28.5
Mature	73	37.8

A special effort was made to sample entrepreneurs operating in non-urban environments; a group of 20 Ontario entrepreneurs working in rural or village locations was identified.

Another focus of the study was to segregate, for analytical purposes, entrepreneurs who were also members of a racial minority. It was evident early in the study that these women were not being identified by the random selection method. Indeed, the final sample of 193 entrepreneurs identified only ten business women who were members of racial minorities.

To obtain a sample size sufficient for analysis, the researchers commissioned a separate study, conducted by a female business professor, herself a member of a racial minority, to locate in non-random fashion, 40 racial minority female entrepreneurs. All were found through personal referrals and all were located in Toronto.

In total, 233 interviews were conducted, 112 (48%) by telephone and 120 (52%) in person. Of all the entrepreneurs contacted, 90% agreed to be interviewed.

Six focus groups were conducted, three in Montreal in French and three in Toronto in English. Within each language group, each of the three focus groups brought together women whose businesses were at different stages of development: start-up, growth, or mature (see previous section for operational definitions).

Difficulty in obtaining participants for these groups was a major problem. For example, in Montreal, more than 300 women were contacted before ten agreed to come to the group. Only six women arrived. Problems of role overload among female entrepreneurs were highlighted by this finding. As a result, the six focus groups consisted of approximately 50 entrepreneurs.

Data Analysis

Data from the interviews were coded on the questionnaire. Forty interviews were recorded and transcribed to facilitate qualitative analysis. In addition, 15 of the interviews with women in the racial minority sample were coded, recorded, and transcribed.

The data collected from the racial minority sample proved more difficult to analyse. In nearly every case, the entrepreneur's first language was not English. This resulted in three problems. The first was that concepts such as "role" and "function" were difficult to define in meaningful terms during a one-hour interview. The second problem was that of disclosure. Some women found it difficult to reveal personal and financial information that North Americans might be more accustomed to disclosing. The completeness and accuracy of the data are in some cases unknown. The third problem occurred because of the difficulty of transcribing interviews in which both the interviewer and interviewee spoke softly (by North American standards) and with accents.

The 40 respondents in the non-random sample of racial minority women entrepreneurs were not included in the aggregate reporting. The ten who were identified in the original study are part of the 193 completed interviews analysed.

Statistical Analysis

The data were subjected to many types of univariate statistical methods. The following sub-programs were used: frequencies, t-tests, one-way, and Pearson correlations.

In the study, the focus was mainly on discovering and evaluating differences between effects, rather than the effects themselves. For example, one interest was differences in the incomes of women entrepreneurs at various stages of business. The most common type of analysis involved comparing two groups of samples, with the group means as the basis for comparison (t-test). In this study, we used one type of t-test where cases are classified into two groups and a test of mean differences was performed for specified samples.

In situations where the dependent variable was composed of more than two groups, the sub-program one-way was used. One-way provides a wide variety of subsidiary statistics in addition to the basic analysis of variance summary tables. One-way allows the user to run both a priori and a posteriori contrasts and provides seven different test statistics for the latter. As a posteriori contrasts, the Scheffe's test — the strictest and the most exact — was used to provide tests for trends across categories of an interval-level independent variable.

Finally, to examine the overall pattern of findings between the variables, Pearson product-moment correlations for pairs of variables were computed. These are zero-order correlations, because no controls for the influence of other variables are made. The Pearson correlation coefficient is used to measure the strength of the relationship between two interval-level variables.

Limitations

The strength of this study was its large random sample of women entrepreneurs across Canada. The language representation made the survey unique; breadth was added by incorporating rural and racial minority samples.

Although this study was the best representative survey to date of women entrepreneurs in Canada, it was not perfect. The sample was selected randomly from Dun and Bradstreet's list of chief executive officers. Organizations on this list represented those applying for credit approval; therefore, firms that had never applied for credit would not be included. As a result, this survey probably oversampled larger businesses.

A related weakness is that most home-operated businesses are small and tend not to apply for credit. It is estimated that 50% of all businesses owned by women in the United States are home-based businesses. (The Canadian figure is not known.) The data gathering did not determine whether the business address was also a home address, so the degree to which home-based businesses were sampled is not known.

In addition to the sampling bias, another difficulty of the survey was a conceptual one. The terms used in the managerial and images research were developed for populations other than entrepreneurs. It is not known to what extent these measures made sense to women business owners, particularly the large number who were immigrants. The questionnaire was pre-tested on English- and French-speaking entrepreneurs, who expressed no difficulty with the terms. The racial minority sample indicated some problems with the concepts.

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